

Policy

Subject: Misrepresentation/Subsidy Eligibility

Policy Number: 2021-14

Effective Date: November 2, 2023

Approved by: NCHC Board of Directors

Reviewed by: NCHC General Manager

Purpose

The Northumberland County Housing Corporation (“NCHC”) strives to provide residents with safe accommodation at affordable rent based on each household’s current financial situation. Rent-Geared-to-Income (“RGI”) applicants are housed through the centralized waiting list administered by Northumberland County in accordance with the *Housing Services Act, 2011*.

Misrepresentation occurs when an RGI household intentionally does not disclose the correct income and/or household composition when either requested by NCHC during an annual review or as soon as a change occurs. The responsibility to accurately report this information is detailed in the NCHC lease, Northumberland County’s Community Housing Directives and within provincial legislation.

Overview

NCHC will not tolerate *intentional* misrepresentation of income or family composition by households in receipt of RGI assistance. All reports of potential misrepresentation shall be investigated to the best ability of the Housing Caseworker to determine the validity of the allegation. Allegations may come in the form of written statements or if the Housing Caseworker has reason to believe the tenant may be withholding information, the tenant

may be referred to the Eligibility Review Officer (“ERO”) for further investigation. If misrepresentation is confirmed, NCHC may take appropriate action as set out in this policy.

Procedures

Misrepresentations

Reports of Potential Misrepresentation

All reports of potential misrepresentation received by Northumberland County Staff shall be reviewed by Housing Caseworkers. Caseworkers shall attempt to verify the reported information by following up with the tenant.

Northumberland County staff shall make the preliminary decision to proceed with an investigation. If the report relates to a market household or if the information has already been received and processed, no further investigation will occur. If the report relates to a RGI household and the information differs from the information contained in that household’s file, then further investigation shall occur.

If the caseworker is unable to verify the reported information with the tenant, the caseworker will complete an ERO referral form and submit it to the Housing Services Operation Supervisor. The Supervisor will make the determination of whether or not a referral for investigation by the ERO is warranted. The ERO will gather information and prepare a report summarizing any evidence and provide recommendations for the Housing Caseworker to implement.

Sources

Potential misrepresentation can be brought to the attention of the County through many different sources including but not limited to:

- The Annual Income Review Process
- Other tenants
- Anonymous tips
- Staff/tenant discussions
- Staff working with Ontario Works staff, including EROs.

Unreported Occupancy

The information regarding unreported occupancy is most often communicated to the County by other tenants or by an anonymous source. The caseworker will attempt to call the household to discuss the information received, send an opportunity to comment letter to the household requesting updated household information. If the household does not respond or there is reasonable doubt that they complying with this Policy, the case may be referred to the ERO as per the above process.

Once the above information has been received and the occupancy of the alleged unauthorized occupant has been disproved, no further action takes place. Documents provided by the tenant or the ERO are to be placed in the tenant's file.

Unreported Income

Unreported household income is often discovered through the Annual Income Review Process. Income verification documents submitted by households occasionally reveal that they have not properly reported changes in their income (e.g. a member of the household commenced employment at a much earlier date than what was reported to NCHC). Employment information, including a start date can easily be obtained by contacting the employer. If the information is received anonymously, the caseworker shall contact the tenant to discuss and/or mail an opportunity to comment letter. This would include requesting such documents as a detailed Notice of Assessment or T4/T5/T5007 slips. Following the implementation of RGI Simplification, unreported income will be considered pursuant to the Northumberland County Community Housing Directive 2021-13: Notification of Changes and In-Year Reviews.

Remedies

Intentional Misrepresentation

In accordance with the *Housing Services Act, 2011*, *Residential Tenancies Act, 2007* and the NCHC lease, NCHC may take action up to and including removal or reduction of a RGI household's subsidy (increase their rent to maximum or market rent), and additionally may proceed with an eviction. Actions to be taken will be determined on a case-by-case basis and consideration will be given to both the severity and impact of the misrepresentation.

Unreported Occupancy

If the tenant agrees or further investigation confirms that another person is living in the unit, the additional person(s) shall complete an RGI application and if eligible, they shall

be added to the lease. The household's eligibility for a subsidy shall be reviewed according to the new information and a retroactive rent amount (if applicable) shall be calculated.

Unreported Income

Remedies of unreported income may include:

- retroactive rents charged to the household and written repayment agreement
- Loss of subsidy and market rent applied
- In some cases, if significant enough the ERO may refer the file for criminal prosecution

Retroactive Rent Charge

All households that do not report changes in their income or composition within 30 days of the change shall be held responsible for any retroactive rent amount calculated by the Corporation. Retroactive rent is defined as the difference between the rent paid by a household for a period of time and the correct rent due based on actual household income or composition that was not reported at the time of change. It is important to note that unreported income will be considered pursuant to the Northumberland County Community Housing Directive 2021-13: Notification of Changes and In-Year Reviews. This directive clearly outlines which income increases are required to be reported in-year by households.

When calculating retroactive rent for households receiving subsidy the rent is increased on the first day of the second month following the month in which the household income or composition increased. For example: if the household's income increased due to employment in January, the increase would take effect March 1st.

The established correct income information is used to calculate the retroactive rent amount. The household is sent notices and a letter providing details of the retroactive rent calculation and the household's new rent amount.

The tenant will be provided with a decision letter outlining how the arrears were calculated. The letter will include information about how to request an Internal Review.

Repayment

The tenant will be given the opportunity to repay the outstanding amount in full or to enter into a repayment agreement with the Corporation.

If the tenant does not honour the repayment schedule, NCHC shall take necessary legal action to evict the tenant through the Landlord and Tenant Board. After the household is evicted, NCHC shall take all legal action necessary to collect the monies owed by referring the debt to Northumberland County's provincial offences office for collection. The misrepresentation and the money owed will be reported to the Provincial Arrears Database which is used to assess a tenant's future eligibility for social housing across the province.

Landlord and Tenant Board

NCHC may evict the household if an agreement to repay retroactive rent is not fulfilled or if it is determined that the misrepresentation was intentional. This can be accomplished under the Residential Tenancies Act for nonpayment of rent or misrepresentation of income in subsidized housing.

Criminal Charges

If the ERO determines there is evidence of a fraud and believes it to have been intentional, the file may be referred to the police for Criminal Prosecution. This decision shall be made in conjunction with the General Manager. The ERO will prepare a police referral that will be forwarded to the appropriate police department and/or the Crown. The ERO will prepare the referral and present the case in a court of law.

Request for Review

The tenant will be provided with a decision letter and a Request for Review Form in accordance with the Northumberland County's Community Housing Directive 2021-02: Northumberland County Review Panel (County Review) and as under the *Housing Services Act, 2011*.

Repealed Policy

N/A

Legislative Authority

HSA, 2011 Sec 55 / O. Reg. 367/11 Sec 36, 59

Cross Reference

N/A