

**ACOP: Proposed Changes for 2026**  
**Effective -July 1, 2026**

Page	Section	Change
Pg. 400	<p><b>8-I.F. PAYMENTS UNDER THE LEASE</b></p> <p><b>Late Fees and Nonpayment [24 CFR 966.4(b)(3); 24 CFR 966.4(q) and (r)]</b>            At the option of the PHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].            The lease must provide that late payment fees are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].            The lease must also contain a provision or addendum that tenants will receive notification at least 30 days before an eviction for nonpayment of rent is filed [24 CFR 966.4(q)]. The PHA must not provide tenants with a termination notice prior to the day after the rent is due according to the lease. The PHA must not proceed with filing an eviction if the tenant pays the alleged amount of rent owed within the 30-day notification period [24 CFR 966.4(r)].            The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)]. See Chapter 13 for additional requirements for notices of lease termination.</p> <p><b>MHA Policy</b>            If the family fails to pay their rent by the fifth day of the month, and the MHA has not agreed to accept payment at a later date, a 30-day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises. The MHA will not proceed with filing an eviction if the tenant pays the alleged amount of rent owed within the 30-day notification period.            In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of \$25.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the MHA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.            When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable 14 days after billing.</p>	<p><b>Revise:</b>  <b>8-I.F. PAYMENTS UNDER THE LEASE</b></p> <p><b>Late Fees and Nonpayment [24 CFR 966.4(b)(3); Notice PIH 2021-29]</b>            At the option of the PHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].            The lease must provide that late payment fees are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].            The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].</p> <p><b>MHA Policy</b>  <b>If the family fails to pay their rent by the fifth day of the month, and the MHA has not agreed to accept payment at a later date, a 14-day Lease Termination/Demand of Possession notice will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.</b>            In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of \$25.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the MHA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.            When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable 14 days after billing.</p>
8-1		<p><b>Add: Under Exhibits</b>  <b>RENT COLLECTION POLICY</b></p> <p>This policy establishes the policy and procedures for the collection of rent and other charges; late charges and return check assessment; and rent collection processing, reconciliation, and monitoring. Collection of tenant charges is important to the viability of a project. Without a high and timely tenant rent collection rate, a project may not cash flow. As a result, the PHA must reduce costs which may result in adequate maintenance and the accelerated deterioration of the property.</p> <p>It is the policy of the PHA to actively pursue timely and full collection of tenant charges due. Collection of tenant charges will be used to support the projects/program from which the charge occurred. Cash may not be accepted as a form of payment.</p> <p>This policy applies to the Public Housing program of the Montgomery Housing Authority for which tenant</p>

charges are collected. This rent collection policy should be read in conjunction with the following policies: 1) write-off and 2) tenant accounts receivable (TAR) processing.

#### RENT COLLECTION PROCEDURES

The following rent collection procedures are described below.

- Collection of rent and other tenant charges,
- Late payment of rent and return check charges,
- Rent collection processing, and
- Rent collection monitoring and reconciliation.

#### Collection of Rent and Other Tenant Charges

The following procedures will be used for the collection of rent and other tenant charges.

- The initial payment (rent and security deposit) that the tenant makes when moving into the unit is to be made at the property's rent office.
- Subsequent rent payments, and other charges if applicable, are due and payable in advance, without notice, on the first day of the month.
- All payments, including the initial payment, must be made by check, money order, debit or credit card. No cash payments will be accepted. A sign will be listed for public viewing at each site where a payment can be made indicating "No Cash Payments Will Be Accepted".

#### Late Payment of Rent and Return Check Charges

Late charges and return check charges will be processed based on the procedures outlined below. The Montgomery Housing Authority Admissions and Occupancy Plan (ACOP) provides the amount that will be assessed for late payment of rent and checks returned because of insufficient funds.

- A late charge of \$25 will be assessed to the tenant for rent and other payments not received by the close of business on the 5th day of the month.
- If the tenant fails to make payment for rent or other charges by the 5th of the month, a 14-day Lease Termination/Demand for Possession notice will be issued to the tenant for failure to pay rent, demanding that payment be made in full or the surrender of the premises at the expiration of the 14 days.
- MHA will terminate the lease for repeated late payment of rent or other charges. Four late payments within a 12-month period shall constitute a repeated late payment.
- A charge will be assessed for checks returned for insufficient funds and the tenant will not be allowed to pay by personal check for a period of 6 months. A second occurrence of the tenant submitting an invalid check will result in the tenant being denied the privilege of paying by personal check for 1 year; a third invalid check will deny a tenant the privilege of paying by check indefinitely. If the check is not honored by the close of business on the 5th day of the month, the rent will be considered unpaid, and the tenant is subject to late charge fees.

#### Rent Collection Processing

Rent and other tenant payments will be processed based on the following procedures.

- Rents and other tenant payments will be received at the property office rather than the central office.
- A payment receipt should be utilized. The payment receipt should not be completed prior to the receipt of payment from the tenant.

		<ul style="list-style-type: none"> <li>• A staff person will print a payment receipt for the tenant rent when payment is provided by the tenant. If a drop box is used, the drop box will be accessed each day and payment receipts will be completed by the staff person and mailed to the tenant.</li> <li>• The payment receipts should be entered into the Yardi system the same day they are received.</li> <li>• It is the responsibility of the project manager to take the deposit to the bank each day. <ul style="list-style-type: none"> <li>▪ A daily deposit slip should be completed listing all payment receipts and amounts.</li> <li>▪ The amount of the daily deposit slip should match the amount entered into the Yardi system for the day.</li> <li>▪ A daily rent collection report will be printed from the Yardi system that matches the bank deposit and will be attached to the deposit slip.</li> </ul> </li> <li>• A copy of all deposits made at the property will be submitted to the finance department at the end of each week so that the finance department can confirm the accuracy and timeliness of deposits.</li> <li>• The PHA will deposit all payments received on the same business day. That is, the PHA will not delay depositing a check at the request of a tenant, until funds are available.</li> </ul> <p>Rent Collection Reconciliation and Monitoring The PHA will follow the rent collection reconciliation and monitoring procedures outlined below.</p> <ul style="list-style-type: none"> <li>• During the monthly reconciliation process, total payment receipts as reported in the Yardi system will be compared to the actual deposits for accuracy and completeness. If the amounts do not match, the staff accountant will research the discrepancies and reconcile the two amounts.</li> <li>• The Finance Director shall review the bank reconciliation to determine whether deposits from the project managers are made timely.</li> <li>• As part of the monitoring process, a past due report should be printed from the Yardi system and the property manager will review outstanding balances to ensure that all rents have been posted and that outstanding balances have been addressed.</li> <li>• Monthly, the Finance Director will review the bank statements to confirm that deposits match the total payments received as reported in the general ledger and that deposits are made timely.</li> </ul>
8-2		<p><b>Add: Under Exhibits</b></p> <p><b>TENANT ACCOUNTS RECEIVABLE PROCESSING POLICY</b></p> <p>Tenant accounts receivable balances include monthly dwelling rent, other charges such as late fees, maintenance charges, and fraud recovery. Tenant account balances must be accurately calculated and properly charged to the tenant to properly execute rental agreements and comply with laws and regulations for evictions for non-payment of rent.</p> <p>This policy focuses on the procedures that the Montgomery Housing Authority (MHA) needs to have in place to track charges and credits to individual tenant accounts accurately and in a timely manner to ensure that the MHA's financial statements correctly reflect all amounts owed from tenants.</p> <p>The MHA uses the Yardi software system to generate charges and maintain tenant accounts receivable and security deposit balances. The reports generated from this system will serve as the official record keeping of</p>

tenant account balances.

This policy applies to the Public Housing program for which tenant charges are recorded for program participants. This tenant accounts receivable processing policy should be read in conjunction with the following policies: 1) write-off and 2) tenant rent collection.

#### TENANT ACCOUNTS RECEIVABLE PROCESSING PROCEDURES

The following procedures will be used to track tenant accounts receivable balances.

- Establishment of tenant charges,
- Receipt of payment,
- Monitoring and processing,
- Vacated units, and
- Public Housing Assessment Subsystem (PHAS) monitoring.

The Asset Manager will be responsible for the review and oversight of tenant charges and balances for their program.

#### Establishment of Tenant Charges

Tenant charges will be processed based on the procedures outlined below.

1. Tenant rents will be calculated using the rent calculation sheet and the Yardi software system.
2. The Asset Manager will review the tenant rents for accuracy and completeness.
3. Each month, the rent for each tenant will be charged using MHA's Yardi software system.
4. Additional tenant charges, e.g. late fees or insufficient funds fees will be entered into MHA's Yardi software system.
5. Maintenance charges should be documented through invoices and/or work orders. These charges will be entered into MHA's Yardi software system.
6. Refunds of rent, utility reimbursement payments, or security deposit refunds should be entered into the Yardi software system.
7. The Asset Manager will review and approve the report of rent charges, paying attention to any changes in rent charged from the prior month to the current month and other tenant charges.

#### Receipt of Payment

Receipt of payments will be handled in accordance with the rent collection policy.

#### Monitoring and Processing

Tenant accounts receivable will be monitored and processed based on the following procedures.

1. At the end of the month, the Property Manager will print a detailed listing of accounts receivable balances. The property manager will review all balances to ensure that the amounts are correct. The detailed list of accounts receivables balances will be signed and dated by each reviewer indicating that the balances are accurate and complete.

		<p>2. At the end of the month, the Property Manager, and Asset Manager, will also review the tenant accounts receivable balances and associated accounts for any unusual balances or transactions. Any unusual balance or transaction will be investigated and corrected if necessary.</p> <ul style="list-style-type: none"> <li>• A credit adjustment report will be printed at the end of the month and reviewed. The credit adjustment report is a report which shows adjustments applied to a tenant's accounts receivable balance, not associated with payment by the tenant. Note: A credit adjustment to individual accounts is a sign of possible fraud. The credit adjustment report will be signed and dated by each reviewer indicating that any unusual balance or transaction was properly investigated and corrected.</li> <li>• The Asset Manager will specifically review credit adjustments posted by the property managers.</li> <li>• Any collection losses (i.e., write-offs) will be verified to the actual postings to make sure that all and only write-offs were posted to the books of account.</li> </ul> <p>3. The detailed list of accounts receivables balances will be reviewed by the finance office for balancing and reconciliation to the general ledger and for the preparation of the monthly financial statements.</p> <p>Vacated Units For any vacated unit, the MHA's write-off policy will be followed.</p> <p>Public Housing Assessment Subsystem (PHAS) Monitoring Each month, the tenant accounts receivable balances for the Public Housing program will be reviewed by the Executive Director to determine whether the PHA is achieving the desired target for tenant rent collection – a PHAS indicator in the public housing program.</p>
13-7		<p><b>Add: Under Exhibit</b></p> <p><b>WRITE-OFF POLICY</b></p> <p>This policy applies to Public Housing program where tenants may owe the program for charges consisting of dwelling rent, late fees, damages, etc. once the dwelling unit is vacated.</p> <p>It is the policy of the Montgomery Housing Authority to make every reasonable effort to collect all monies owed for rent, late fees, excess utilities, damages (other than normal wear and tear), and other charges. Montgomery Housing Authority's staff will make every effort to collect these charges promptly when due and will initiate all procedures related to the collection of overdue amounts, including all steps related to the termination and eviction of the tenant for unpaid charges.</p> <p>A write-off of a tenant account receivable may only occur once the unit is vacated.</p> <p>Upon the determination that the vacated tenant account receivable balances likely will not be collected, a list of uncollectable tenant accounts shall be presented to the Finance Department to write off the tenant account balances.</p> <p><b>WRITE-OFF PROCEDURES</b></p> <p>Determination of Accounts Considered Uncollectable Property Managers are tasked with the responsibility of reviewing vacated accounts to determine the accounts</p>

		<p>that are considered uncollectable. The following conditions are to be used to determine if an account is uncollectable:</p> <ol style="list-style-type: none"> <li>1. If a tenant has vacated a dwelling unit without a forwarding address and owes rent, utilities, damages, fraud payments, or other charges in excess of their security deposit, the Property Manager will attempt to locate the tenant and collect the charges due.</li> <li>2. If, after two (2) months from the date of vacancy or the date the account becomes delinquent for rent, utilities, damages, fraud payments or other charges, the balances owed remains uncollected and all attempts to collect the overdue accounts have failed, the account will be deemed uncollectable.</li> </ol> <p>Approval and Documentation of Write-off Once the Project Managers have identified the accounts that are considered uncollectable, the Project Managers will present a list of the uncollectable tenant accounts to the Asset Manager.</p> <p>This list will be presented to the Asset Manager on a <u>monthly</u> basis.</p> <p>The Asset Manager, in conjunction with the Finance Director, will review each project's list of accounts considered to be uncollectable.</p> <p>On a monthly basis, the Asset Director and Finance Director review the tenant accounts receivable report to identify and research any balances that appear unreasonable. When applicable, updates regarding the eviction process are also requested.</p> <p>Upon the review of the rental charges and collection losses posted to the account, the Finance Director will book the journal entry (in the general ledger) to charge the write-offs to collection losses.</p> <ul style="list-style-type: none"> <li>• The review will ensure that only approved accounts were written off and that other non-write-off adjustments to collections losses are reviewed to determine their validity and accuracy.</li> </ul> <p>Enterprise Income Verification The Accountant will enter the tenant account balances into the Enterprise Income Verification (EIV) system as a debt owed to the Montgomery Housing Authority.</p> <p>Miscellaneous In addition, if the Montgomery Housing Authority contracts with a collection agency, account balances will be turned over to the agency for collection.</p>
13-3	<p><b>PART I: TERMINATION BY TENANT</b>  <b>13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]</b>  The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the property site office or the PHA central office or sent by pre-paid first-class mail, properly addressed.  MHA Policy  If a family desires to move and terminate their tenancy with the MHA, they must give at least 30 calendar days' advance written notice to the MHA of their intent to vacate. When a family must give less than 30 days' notice due to circumstances beyond their control the MHA, at its discretion, may waive the 30-day requirement.  The notice of lease termination must be signed by the head of household, spouse, or cohead.</p>	<p><b>Revise</b>  <b>PART I: TERMINATION BY TENANT</b>  <b>13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]</b>  The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the property site office or the PHA central office or sent by pre-paid first-class mail, properly addressed.  MHA Policy  If a family desires to move and terminate their tenancy with the MHA, they must give at least 10 calendar days' advance written notice to the MHA of their intent to vacate. When a family must give less than 10 days' notice due to circumstances beyond their control the MHA, at its discretion, may waive the 10-day requirement.  The notice of lease termination must be signed by the head of household, spouse, or cohead</p>