

Subsidy By-Law & Subsidy Policy

When we were first built, our co-op signed an Agreement with the federal government for 35 years.

Part of the Agreement was that we would administer a subsidy program on their behalf. They would give us a little money each month to help lower-income households pay their monthly housing charges. They give us enough cash to subsidize 15% of our households (12 units). Everyone else pays the full market rates.

Our Agreement will end in 2022. At that time, our subsidy dollars from the federal government will dry up.

Until then, the **Subsidy By-Law** and the **Subsidy Policy** reflect the rules that Canada Mortgage & Housing Corporation require us to use to administer subsidy funds

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from my friends*

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Kawartha Village Co-operative Homes Inc.

Subsidy By-Law

Be it enacted as a by-law of Kawartha Village Co-operative Homes Inc. (hereinafter known as the co-op) as follows :

ARTICLE I - Definition

- 1.01.1 The subsidy referred to herein is defined in the Section 95 Agreement signed by the co-op and Canada Mortgage and Housing Corporation (CMHC).

ARTICLE II - Administration

- 2.01 The administration of the subsidy shall be in accordance with the terms of the Section 95 Agreement signed by the co-op and CMHC. In case of dispute between this by-law and the Agreement, the terms of the Agreement shall rule.
- 2.02 The co-op's Co-ordinator shall be responsible for the day-to-day administration of subsidy.

ARTICLE III - Eligibility

- 3.01 Only members of the co-op shall be eligible for subsidy.
- 3.02 The requirements for eligibility for subsidy will be outlined in a Subsidy Policy.

ARTICLE IV - Application and Allocation Procedures

- 4.01 All subsidy monies shall be allocated on a semi-annual basis with the exception of "Emergency Assistance" as outlined in the Subsidy Policy.
- 4.02 All applications for subsidy must be accompanied by appropriate documentation verifying income of the applicant and be submitted to the office no later than the closing of office hours on the 7th day of the month. If application is not received by the 7th day, full market housing charges will apply.
- 4.03 Upon receipt of an application which is accompanied by the appropriate documentation, the Co-ordinator will endeavour to do the calculation and send written notification of the housing charge and subsidy amounts to the member within 2 working days. Upon receipt of such notice, the member will be required to make payment within 2 working days. Failure to make payment, in full, within the specified time, will mean that the member is in arrears for the calculated amount.
- 4.04 All subsidies shall end automatically at the half-way point (August 31st) and the end (February 28th) of the co-op's fiscal year.

- 4.05 The terms and conditions under which any subsidy is granted shall be outlined in an agreement signed by the member who is requesting the subsidy, and the co-op.
- 4.06 By April 1st, and November 1st each year, the Co-ordinator will endeavour to publish the guidelines by which eligibility is determined so that all members will be aware of the procedures for application of new and/or continued subsidies.
- 4.07 All member households who applied for assistance will be notified, in writing, concerning their application and the amount (if any) of the assistance that will be allocated.
- 4.08 New applications for subsidy may be submitted at any time during the year with the understanding that any agreement that is signed will end automatically at either the half-way point (August 31st) or the end (February 28th) of the co-op's fiscal year.
- 4.09 Subsidy recipients are required to report any changes to their income. Proof of new income levels must be reported within 14 days of said change.
- 4.10 Any questions, disputes or appeals, may be referred to the Board of Directors by the member household involved.
- 4.11 Rules outlining the procedures for application and allocation of subsidies shall be determined by the Board of Directors and distributed to all members.

ARTICLE V - Early Termination of Subsidy

- 5.01 Any subsidy agreement may be ended prior to August 31st or February 28th by a motion of the Board of Directors for one of the following reasons :
 - (a) Failure to abide by the Subsidy Agreement;
 - (b) Willful falsification of income verification; or
 - (c) Failure to report any additional household income within 14 days of said increase.
- 5.02 In all cases outlined in 5.01 except (b), the member must be given 14 days notice of the termination of subsidy and be given the opportunity to appear before the Board prior to the termination.

ARTICLE VI - Amendment

- 6.01 This By-law may be amended by a resolution of the general members at a meeting duly called for that purpose. The quorum for such a meeting shall be in accordance with the terms outlined in the Organizational By-law and amendments shall be passed in accordance with this By-law also.

This By-law was passed by the Board of Directors of Kawartha Village Co-operative Homes Inc. and sealed with the corporate seal of the co-op on the 11th day of January 1986.

Amendment recommended by the Subsidy Committee
Confirmed by the Board of Directors
Approved by the General Members

February 24, 1993
May 11, 1993
June 16, 1993

Amendments recommended by the Subsidy Committee
Confirmed by the Board of Directors
Approved by the General Members

January 17, 1996
February 6, 1996
March 13, 1996

Amendments recommended by the Subsidy Committee
Confirmed by the Board of Directors
Approved by the General Members

September 13, 1999
January 11, 2000
February 9, 2000

Amendments recommended by the Policy Review Team
Confirmed by the Board of Directors
Approved by the General Members

January 9, 2014
March 4, 2014
March 12, 2014

Kawartha Village Co-operative Homes Inc.

Subsidy Policy

The co-op received funds from the federal government to provide housing charge assistance (subsidy) to co-op members. The Agreement, which is signed by the co-op and Canada Mortgage and Housing Corporation (CMHC), sets out certain terms related to the allocation of subsidy.

This Policy establishes the rules concerning the allocation of subsidy by the co-op and the rights and responsibilities of the members who receive subsidy.

Requirements related to co-op administration, reporting to CMHC are not addressed in this Policy. Members should consult the Subsidy Procedures with respect to these matters.

ARTICLE I - Definition of Income

1.01 To determine the amount of subsidy a household is eligible for, it is necessary to determine the household's "adjusted household income". For the purpose of this Policy, the terminology will be defined as :

- (a) **Income** - means gross (before tax) monthly income, cash receipts, accruals, income imputed in accordance with Schedule B to this Policy and all other revenue or receipts. In the case where members are eligible to receive social assistance, it will include the amount to which they are entitled, whether they elect to receive it or not.
- (b) **Household Income** - means the total income of all persons who reside in the unit
- (c) **Adjusted Household Income** - means the household income less those deductions set out in Schedule B of the Subsidy Procedures.

ARTICLE II - Eligibility Requirements

- 2.01 Member households must meet the following requirements to be initially granted subsidy, or to continue to receive subsidy.
- (a) Once calculated, the subsidized rate must be lower than the current market rate
 - (b) A household cannot receive more subsidy than for which they qualify
 - (c) They must be resident members of the co-op

- (d) They must be in good standing with the co-op as defined in the Organizational By-law, Section 4.04
- 2.02 A member household may not be considered eligible to receive a subsidy if they have voluntarily opted to reduce their household income.

ARTICLE III - Unit Size Standards

- 3.01 The unit size standards will establish maximum limits on the size of unit member households who are receiving a subsidy are eligible to occupy.
- 3.02 If the number of bedrooms in a unit exceeds the number of people living in the unit, the household will be eligible to receive subsidy at a level consistent with a unit of appropriate size.
- 3.03 If there is a decrease in the size of a household which results in there being fewer people living in the unit than the number of bedrooms in that unit, the co-op will give the household written notice advising that they have the option of :
 - (a) Moving to the first available unit of appropriate size and continue to receive their full level of subsidy; or
 - (b) Remaining in their unit and receiving a reduced level of subsidy (IE : paying the difference between the 2-bedroom and 3-bedroom rate)
- 3.04 Member households must respond in writing within 1 week of receiving such a notice.
 - (a) If a member household chooses to remain in the current unit, the level of subsidy shall be reduced at the beginning of the next month.
 - (b) If a member household chooses to move to a smaller unit, they will continue to receive the full level of subsidy in their current unit until a unit of appropriate size becomes available. If they refuse the first unit offered, the level of subsidy will immediately be reduced.

ARTICLE IV - Application and Allocation

- 4.01 Each household wishing to apply for subsidy must submit an application form provided by the co-op. The application shall include :
 - a declaration of the household composition (who lives in the unit); and
 - proof of the current household income.
- 4.02 By April 1st and November 1st each year, the Co-ordinator will endeavour to publish the guidelines by which eligibility is determined so that all members will be aware of the procedures for application of new and/or continued subsidy.

4.03 Subsidy will be given, to those who require it, and who qualify, on a first come, first served basis.

4.04 The Co-ordinator will :

- (a) do the calculation and make a decision on each application for initial or continued subsidy. The decision will be made based on the information provided. The burden of proof will always be on the applicant and if the Co-ordinator has doubts, they may refuse to grant subsidy, reduce or terminate subsidy, or calculate the subsidy at a rate they consider to be reasonable;
- (b) advise the household applying subsidy as soon as possible, in writing, after the decision has been made regarding the amount of subsidy, if any, they can expect to receive;
- (c) provide the household with a Subsidy Agreement form which is to be signed and returned to the co-op within 2 business days.

A household may appeal any decision made by the Co-ordinator regarding subsidy to the Board of Directors within 14 days of receiving notice of the decision.

4.05 At the time of the mid-annual reviews, households receiving subsidy, who continue to meet the eligibility requirements, will continue to receive subsidy. Households that are receiving Emergency Subsidy, may be allocated a permanent subsidy at this time (based on the co-op's financial ability do so).

4.06 The percentage (%) of income payable as per Schedule A, may be increased or decreased subject to approval of the Board of Directors at either of the mid-annual reviews based on the level of demand on the Subsidy Pool. Every effort will be made to provide some level of subsidy to all households that qualify.

ARTICLE V - Calculation of Subsidy

5.01 The Co-ordinator will determine the monthly household income based on the information submitted by the member household. In cases where income fluctuates month to month, income verification documentation must be submitted each month and appropriate adjustments will be made.

5.02 The co-op will periodically review the estimated local utilities costs that have been agreed to by the co-op and CMHC, and the actual costs incurred by member households and will attempt to negotiate with CMHC if any changes are deemed necessary.

ARTICLE VI - Changes in Income, Assets and Household Composition

- 6.01 Member households must, within fourteen (14) days of the change occurring, report to the co-op :
- (a) Any change in the household income from the amount used to calculate subsidy;
 - (b) Any increase in the shelter component or equivalent allowance for housing costs provided to members receiving social assistance (OW or ODSP);
 - (c) Any change in household composition including guests or long-term guests.
- 6.02 Following a member household's report of any change as outlined in 6.01, subsidy will be recalculated.
- (a) If the household's housing charges will increase as a result of the recalculation, the increase will be effective at the beginning of the month following the date of the change in income
 - (b) If the household's housing charges will decrease as a result of the recalculation, the decrease will be effective immediately

Changes to income (up or down) must be reported even if they are only temporary.

ARTICLE VII - Limits of Subsidy and Funds

- 7.01 Funds are made available to the co-op by CMHC under an Operating Agreement between the co-op and CMHC (The Section 95 Agreement) as follows :
- (a) A certain amount is provided by CMHC to the co-op monthly for the purpose of providing housing charge assistance to members. This amount is described in the Agreement as the "Subsidy Pool";
 - (b) Any of the money in the Subsidy Pool that is not spent on subsidy during any given period is to be placed in a "Subsidy Surplus Reserve Fund" as defined in the Agreement.
 - (c) The Subsidy Surplus Reserve Fund is permitted to reach a maximum of \$500 per unit (80 units X \$500 = \$40,000.) plus any interest earned on this money. Any amount received by the co-op from CMHC that would increase the fund beyond this level must be refunded to CMHC.
- 7.02 The purpose of the Subsidy Surplus Reserve Fund is to try to ensure that sufficient funds are available to :
- (a) Increase the amount of subsidy available to the members;

- (b) Provide Emergency Subsidy to members.

ARTICLE VIII - Emergency Subsidy

- 8.01 The co-op will try to reserve some subsidy funds for short term emergency allocations.
- 8.02 Eligibility for Emergency Subsidy will be the same as those for regular subsidy.
- 8.03 Application for Emergency Subsidy must be made by following the same procedures as applying for regular subsidy.
- 8.04 Emergency Subsidy will be granted for a specific period of time – normally three (3) months or less.
- 8.05 If a household on the Internal Waiting List is granted an emergency subsidy, that household will retain its place on the waiting list and be allocated a regular subsidy as soon as it becomes available.
- 8.06 If a household ceases to be eligible for emergency subsidy because of an increase in income, the subsidy will be withdrawn at the beginning of the month following the increase.

ARTICLE IX - Termination of Subsidy

- 9.01 All subsidies shall terminate automatically at the half-way point (August 31st) and the fiscal year-end (February 28th) and/or if the household income increases to the point where the member would no longer qualify.

New applications may be submitted, and subsidies granted at any time during the year, but all are subject to the above noted termination dates.

- 9.02 Any subsidy may be terminated prior to the half-way point and the fiscal year-end for the following reasons :
- (a) Failure to abide by the Subsidy Agreement, Subsidy Policy or Subsidy Procedures;
 - (b) Falsification of income;
 - (c) Failure to report a change in income within fourteen (14) days.

In all cases outlined in 9.02 except (b), the member must be given 14 days notice of the termination of subsidy and be given the opportunity to appear before the Board prior to the termination.

- 9.03 If a household has falsely declared its income, or failed to report a change as outlined in Article VI, it will be required, retroactively, to reimburse the co-op for subsidy obtained. If the household refuses to reimburse the co-op, eviction proceedings will be initiated.

ARTICLE X - Internal Waiting List

- 10.01 A waiting list will be established consisting of member households in the co-op who have applied for subsidy and who meet the eligibility requirements as outlined in Article II of this Policy.
- 10.02 Allocation for both regular and emergency subsidies will be based on date of application.
- 10.03 Applicants in the Internal Waiting List will have priority over applicants on the External Waiting List.

ARTICLE XI - External Waiting List

- 11.01 In accordance with the co-op's Member Selection Policy, a waiting list will be maintained of applicants who have been interviewed and accepted for membership (pending occupancy) in the co-op.
- 11.02 When funds are available in the Subsidy Pool that are not required internally, subsidy will be offered to the first household on the External Waiting List, upon their move in.

Original Policy Approved by the General Members
Amendment Approved by the General Members

February 10, 1986
March 13, 1996

Amendment Recommended by the Subsidy Committee
Confirmed by the Board of Directors
Approved by the General Members

September 13, 1999
January 11, 2000
February 9, 2000

Amendments recommended by the Policy Review Team
Confirmed by the Board of Directors
Approved by the General Members

January 9, 2014
March 4, 2014
March 12, 2014

Kawartha Village Co-operative Homes Inc.
Subsidy Procedures - Schedule A

Calculation of Housing Charge Subsidy

1. Kawartha Village Co-operative Homes Inc. will use a percentage (%) of gross household income which has been approved by the Board of Directors to determine the amount of housing charge subsidy a member will be entitled to receive.
2. The monthly housing charge for member households receiving subsidy will be for "fully serviced accommodation" as per the co-op's Operating Agreement with CMHC. The Agreement defines this as being a unit that is being supplied with : heat, hot water, stove and refrigerator.

An allowance for utilities – amount to be determined from time to time by the Board, and agreed to by CMHC - will be deducted from the gross household income.

3. A deduction will be made in the sum of \$2.00 per dependent child, under the age of 18 years as per the Agreement with CMHC.
4. Member households who receive social assistance (OW or ODSP) will have their subsidy calculated according to the Operating Agreement with CMHC which specifies that the housing charges shall be the higher of :
 - (a) The shelter allowance portion of the benefits cheque; or
 - (b) Based on the net amount received from social assistance, and the percentage (%) of total gross household income from all sources. The percentage will be determined from time to time by the Board of Directors.

Kawartha Village Co-operative Homes Inc.
Subsidy Procedures - Schedule B

Guidelines for Determining Income

ARTICLE 1 - Preamble

This schedule is intended to provide definitions and guidelines for the purpose of determining "adjusted monthly household income" which is to be used in calculating the level of subsidy to be granted to a member household.

The general information in this Schedule is that "income" will have the same meaning as "total income" under the Income Tax Act (Canada).

It is understood that the purpose of this Schedule is to provide the member, and the co-op's Co-ordinator a list of what the co-op's Agreement with CMHC has determined to be "income".

ARTICLE II - What is Considered to be "Income"

Income from Employment

- Salary and wages including overtime, seasonal and irregular pay, taxable allowances and benefits, commissions, tips, gratuities, bonuses, training allowances, grants, termination allowances or settlements, and all amounts included in income from employment as listed in the Income Tax Act.
- Unemployment insurance
- Strike pay
- Accident and/or sick benefits
- Workers Compensation benefits, insurance and disability insurance payments

Alimony, Maintenance and Support

- All alimony, maintenance, child or spousal support paid to any member of the household

Pensions

- Canada Pension Plan, Old Age Security
- Pensions from previous employers that is paid upon retirement

Deferred Income

- All payments received from deferred income plans including RRSPs, RSPs and RRIFs and deferred profit sharing plans (DPSPs), meaning if you cash any of these in, they must be declared as income when subsidy is being considered

Self-Employed

- All income from self-employment including from business, professional and other service income
- Business income should be the "net" income from the business after deductions of proper business expenses as outlined in the Income Tax Act
- If the self-employed person is receiving withdrawals in the form of a salary or bonuses that has not already been included elsewhere, must be considered to be income

Social Assistance

- Benefit payments from social assistance including Ontario Works (OW) and Ontario Disability Support Payment (ODSP)

Windfalls

- If a member has a financial "windfall" (lottery, gift, etc.) it must be declared and a rate of investment income based on current market interest rates will be considered to be earned on the windfall amount

Student Income

- Income will NOT include earnings of children who are in regular attendance at recognized institutions, and funds for tuition – such as scholarships, bursaries and contributions from non-resident family members will not be counted

Long-Term Guests

- Income from long-term guests who have been approved as permitted in the Occupancy By-law will have their income included in the total "household income"

Losses & RRSP Contributions

- Any losses from, or contributions to, investments, businesses or otherwise will not be used to reduce the member's income

Capital Gains

- Funds received from insurance settlements, inheritances, disability awards, sales of effects, etc shall not be considered, however interest earned from such sources will be included as income.

ARTICLE III - Determination of ADJUSTED Household Income

As per the Section 95 Agreement, 'income' means the total gross income in whatever form it is received, of the household or of an individual EXCLUDING :

- Earnings of children in regular attendance at recognized institutions of learning
- Living out or travelling allowances of a family head
- Earnings of a working spouse up to \$ 900./year
- Income from any source other than social assistance payments of a one parent family up to \$900./year
- Earnings in excess of \$ 75./month of all members of the household other than that of the family head or spouse
- Capital gains and funds received from such sources as inheritances, disability awards, sales of effects, however – interest earned from such source is included as income

In calculating income for subsidy purposes, the family head is considered to be the person with the highest income.

Kawartha Village Co-operative Homes
Subsidy Procedures - Schedule C
Verification of Income

Income verification must be submitted by all households receiving subsidy. The list below outlines what Canada Mortgage & Housing Corporation (CMHC) considers to be appropriate income documentation.

Employed :

- A letter from your employer stating your current gross wages or annual salary plus any overtime pay or bonuses; or
- Original copies of three consecutive paystubs

Self-Employed or a Member of a Business Partnership :

A financial statement, prepared by a chartered accountant concerning your most recent fiscal period that indicates :

- (a) The gross and net profits from your business;
- (b) Total payments from your business to you or members of your household as personal salary, bonuses, dividends, loans or otherwise in the last year; and
- (c) Original copies of three consecutive paystubs

Your net income from the business as determined in the co-op's Schedule B – Guidelines for Determining Income will be considered to be your income.

Social Assistance (OW or ODSP) :

- A copy of your entitlement stub

Pension or Annuity :

- The slip attached to your cheque; or
- A copy of your bank statement.

Unemployed :

- Copies of three consecutive EI stubs

In addition to any of the above, members must declare any other types of income including : **tips, gratuities, interest income, investment income, income from casual employment (babysitting, housekeeping, etc.)**

Schedule D
Kawartha Village Co-operative Homes Inc.
Application for Housing Charge Subsidy

Subsidy By-Law 4.02 states : This application must be submitted to the office no later than the closing of office hours on the 7th of each month. If application is not made by the 7th of the month, full market housing charges will apply. Upon receiving notice of the calculated subsidy amount, the member must make payment within 2 business days. Failure to do so will result in the member account being determine to be in arrears and any late fines will be applied.

Name (s): _____

Unit # _____ Unit Size : _____ Phone # _____

Names & Ages of Children : _____

I hereby certify that I am a legal resident of Canada and that the information given herein is true, correct and complete in every respect and fully discloses income from all sources and all persons residing in the unit and may be verified by the co-op. I understand that any misrepresentation of income as defined for the purposes of this program, failure to notify the co-op of any increase in gross household income, or illegal residency in Canada gives the co-op the right to terminate my housing charge assistance. In addition to any other remedy provided by law, the co-op has the right to terminate Membership and Occupancy rights.

I hereby agree to co-operate fully and give complete information in the form required to the co-op for the purposes of any investigation it may carry out concerning my income, family size or other qualifications for assistance and I hereby consent and authorize any person, corporation, or social agency to release any required information to the co-op, it's employees or agents, and to receive credit information from any credit agency or other person having such information.

All information received by the co-op shall be confidential and shall not be revealed to anyone except for the purpose set out in the co-op's by-laws and agreements.

Member: _____ Date : _____

Member : _____ Date : _____

Please refer to the reverse for a complete list of what the co-op considers to be "income", and what constitutes acceptable "income verification" as set out in the Subsidy By-Law.

SCHEDULE E

Name : _____

Full Housing Charge \$ _____ Unit # _____ Unit Size _____ Bedrooms _____

STARTING _____ **ENDING** _____

Current Income (monthly)

1. Wages (Gross)	\$ _____	_____
	\$ _____	_____
2. E.I. (Gross)	\$ _____	_____
3. Ontario Works (Shelter)	\$ _____	_____
(Net)	\$ _____	_____
4. O.D.S.P. (Shelter)	\$ _____	_____
(Net)	\$ _____	_____
5. O.S.A.P.	\$ _____	_____
6. Child Support	\$ _____	_____
7. All Pensions	\$ _____	_____
Interest Income	\$ _____	_____
9. Earnings from Self Employment	\$ _____	_____
10. R.R.S.P. Withdrawals	\$ _____	_____
11. Alimony	\$ _____	_____
Total :	\$ _____	+ \$ _____

Total Monthly Income \$ _____

Non-Recurring Income

1. Windfalls (lotteries, etc.).	\$ _____
2. Inheritances	\$ _____
3. Insurance Settlements	\$ _____
4. Sale of Real Estate	\$ _____
5. Capital Gains (stocks etc.)	\$ _____
6. Other Lump Sums	\$ _____
7. CAPITAL ASSETS – Real Estate (net worth)	\$ _____

TOTAL INCOME \$ _____

Gross Monthly Income (Household Total) \$ _____

LESS:

Adjustment
Earning for a Working Spouse [] - \$ _____
Maximum \$75

Earnings in excess of \$75 per month
Of All Other Household Members
Maximum \$75 [] - \$ _____

Income From Any Source Other Than
Social Assistance
Maximum \$75 [] - \$ _____

Adjusted Monthly Income \$ _____

Housing Charge at _____ % of income \$ _____

Deductions as per CMHC Guidelines

Less Utilities Allowance
2 bdrm \$98 3 bdrm \$119 4 bdrm \$139
- \$ _____

Less Number of Children _____ @ \$2.00 per Child - \$ _____

Adjusted Housing Charge \$ _____

Qualifies for flat rate 40% of market

2 bdrm 3 bdrm 4 bdrm
\$ 286 \$ 317 \$ 342 \$ _____

PLUS difference between 2/3/4 bedroom unit

(2) & (3) (3) & (4) + \$ _____ \$ _____
\$78.00 \$63.00

Calculated by : _____ Date : _____

Full Housing Charge for Unit \$ _____

Monthly Assistance Required \$ _____

Adjusted Housing Charge \$ _____

Market Rates (March 1, 2014)

2-bedroom	\$ 715.
3-bedroom	\$ 793.
4-bedroom	\$ 856.

Schedule F

SUBSIDY AGREEMENT

This Agreement made the _____ day of _____

BETWEEN: KAWARTHA VILLAGE CO-OPERATIVE HOMES, INCORPORATED
(Hereinafter called the "Co-operative")

-And-

Where more than one Member signs this Subsidy Agreement (referred to as the ["Agreement"]), it is understood that all, individually and collectively, are responsible under the Agreement, and the word "Member" shall be understood that violation of the Agreement by one member shall be deemed to be violation by all members, and that notice by the Co-operative to one member shall be deemed to be notice to all members. Where the masculine form is used in reference to a Member, it is to be interpreted in the feminine gender where applicable.

WHEREAS the Co-operative has funds available to subsidize the monthly Housing Charge of the Member, and;

WHEREAS the Member has made written application for subsidy and the application has been approved;

NOW THIS AGREEMENT WITNESSETH that the Member and the Co-operative agree as follows:

1. TERM

The receipt of subsidy shall commence on the _____ day of _____ which shall be when the Co-operative is in receipt of all income verifications and any outstanding membership and occupancy requirements. This Agreement shall be terminated only in accordance with the provisions of this Subsidy Agreement.

2. SUBSIDY

The housing charge amount will be : _____

The subsidy amount will be : _____

3. PROOF OF INCOME

The Member is required to provide the Co-operative with a verified statement of income At the commencement of this Agreement and at such time as there is any change in income during the term of this Agreement.

4. CHANGES IN INCOME

The Member is required to report and supply new proof of income,. When a change of income will result in a change in subsidy level, The following policy will apply.

A) Increases

Where an increase in income results in an increase in the housing charge to be paid by the Member, the increase in the housing charge will be effective sixty days to the nearest first of the month after the effective date of the increase in income. This does not apply to Members requiring a monthly calculation due to fluctuating income.

B) Decreases

A decrease in the housing charge as a result of a decrease in income will be effective the first day of the month following notification of the change and receipt by the Co-operative of new income verification from the Member, providing subsidy funds are available.

5. TERMINATION

This Agreement shall terminate on the _____ day of _____

The Board may terminate this Agreement earlier if there is:

- a) **Failure to abide by the Subsidy Agreement;**
- b) **Wilful falsification of income verification;**
- c) **Failure to report additional household income within 14 days of any such change.**

In all cases outlined above, except b, wilful falsification of income verification, the Member must be given 15 days notice and given the opportunity to appear before the Board of Directors prior to termination of subsidy.

GENERAL

- 1. In calculating income for Subsidy purposes, the chief income recipient is considered to be the individual with the largest income. The household income is the combined income of all members of the household.
- 2. In households of unrelated individuals or related family households where there is no dependent present (e.g. three brothers living together), the total household income is the combined income of all members of the household.

IN WITNESS WHEREOF the Co-operative and the Member have signed this Agreement:

_____ Member _____ Member

_____ Co-op