

## **PROGRAM POLICY: NRAS ELIGIBILITY AND COMPLIANCE**

Policy number	PPOL020	Version	V1.0
Drafted by	Program Development Co-ordinator	Approved by Board on	28 February 2018
Responsible person	Program Director	Scheduled review date	28 February 2023

### **1. PURPOSE**

The purpose of this policy is to:

- a. set out how the eligibility and compliance requirements for prospective renters and current Program participants residing in National Rental Affordability Scheme (NRAS) approved properties are applied with the CEHL Housing Program
- b. identify a co-op's role in managing households in NRAS approved properties
- c. sustain the number of properties that receive an NRAS incentive while upholding the Program's commitment to the Security Program Principle
- d. describe the Program response to changing circumstances of households occupying NRAS subsidised properties.

### **2. POLICY CONTEXT**

A number of CEHL properties have been funded under the Commonwealth government's NRAS, providing CEHL with financial incentives where the dwelling is rented to NRAS eligible households for up to 10 years. The eligibility criteria are laid out in the National Rental Affordability Scheme Regulations Act 2008 and Regulation Amendments.

Continuing eligibility of a household is assessed on a yearly basis to ensure compliance. A dwelling incentive will be permanently lost if a household's income exceeds the NRAS income eligibility criteria for two consecutive years.

NRAS funding is integral to the financial viability of the Program and it is important that the Program explores opportunities to minimise any potential loss of incentive.

### **3. POLICY STATEMENT AND PRINCIPLES**

#### **3.1 STATEMENT**

- a. Program participants residing in NRAS properties must meet NRAS income eligibility criteria at entry and on a yearly basis throughout the period of the subsidy, as well as adhere to ongoing compliance reporting requirements.
- b. CEHL will uphold the Security Program Principle while seeking to maximise the number of properties that receive an NRAS incentive.

#### **3.2 PRINCIPLES**

- a. Wherever possible, rental provider will prioritise allocation of an NRAS vacancy to eligible households whose incomes are likely to continue to meet the NRAS eligibility criteria.

- b. Prior to offering tenancy in an NRAS dwelling, a rental provider must ensure that the prospective renter:
  - i. is provided with written notification of the eligibility criteria and ongoing compliance obligations of residing in an NRAS dwelling.
  - ii. provides a full 12 months of income evidence for CEHL to assess NRAS and Program income eligibility
  - iii. ensures all household members receiving any income sign an NRAS Renter Consent Form and complete an NRAS Renter Demographic Form
  - iv. agrees to allow access to the dwelling by CEHL on a yearly basis for the purpose of valuation of the dwelling, in accordance with relevant sections of the Residential Tenancies Act.
- c. All household members occupying an NRAS dwelling must, on the anniversary of the occupancy, complete and submit to CEHL an updated Household Information Form – NRAS and an NRAS Renter Demographic Form:
  - i. detailing gross household income
  - ii. providing a full 12 months of evidence of income (see the Household Information Form – NRAS).
- d. Any proposed additions to the household composition must be reported to CEHL for NRAS income eligibility assessment prior to the incoming renter(s) joining the existing household. The incoming renter(s) must also provide:
  - i. a full 12 months of income evidence
  - ii. a completed NRAS Renter Consent Form
  - iii. a completed NRAS Renter Demographic Form.
- e. A reduction in the household composition must be reported to CEHL by completing an NRAS Renter Demographic Form, when the change occurs.
- f. Failure to submit completed compliance documents and evidence will result in the household being considered to have income in excess of the NRAS threshold and will incur maximum rent charges (in accordance with the NRAS allowable market rent).
- g. Where a household occupying an NRAS dwelling is likely to have or is assessed as having an income that exceeds the NRAS income eligibility threshold, CEHL will:
  - i. review the remaining timeline of the dwelling's incentive
  - ii. inform the co-op, where a co-op performs the role of rental provider
  - iii. enter into discussion with the household to explore whether there is any alternative means that the Program might meet the renter's needs while sustaining the NRAS incentive on the dwelling.
  - iv. where no appropriate alternative options are identified, the household will continue with no forced change to their tenancy arrangements as a result of a loss of NRAS incentive eligibility.

## 4. SCOPE

- 4.1 This policy applies to CEHL dwellings with NRAS incentive allocation, prospective renters, current households and rental provider within the CEHL Program.

## 5. DEFINITIONS

- 5.1 For all definitions relating to this policy, please refer to the Program Glossary.
- 5.2 The National Rental Affordability Scheme (NRAS) is an Australian Government initiative to stimulate the supply of new affordable rental dwellings. The Scheme offers annual incentives for ten years (indexed annually to the rental component of the CPI)

## 6. LEGAL AND OTHER REQUIREMENTS

- 6.1 This policy adheres to and incorporates guidance from:
  - a. [National Rental Affordability Scheme Regulations 2020](#)
  - b. [Performance Standards and evidence guidelines](#)
  - c. [Victorian Charter of Human Rights and Responsibilities 2006](#).

## 7. PROGRAM REQUIREMENTS

- 7.1 This policy is consistent with:
  - a. International Co-op Principles:
    - Voluntary and Open Membership
    - Member Economic Participation
    - Co-operation among Co-operatives
    - Concern for Community
  - b. Program Principles:
    - Affordability and Financial Sustainability
    - Changing Needs
    - Quality of Housing
    - Security
    - Working Together
  - c. CCA

## 8. RELATED PROGRAM POLICIES

- 8.1 This policy should be considered in conjunction with:
  - a. Property Allocation to Co-ops Program Policy
  - b. Applications to the Program Policy
  - c. Property Allocation for Unhoused Members Policy
  - d. Transfer Applications by Current Program Participants Program Policy
  - e. Appropriate Alternative Accommodation Program Policy
  - f. Ending a Tenancy (Rental Provider initiated) Program Policy
  - g. Establishing a Tenancy Program Policy
  - h. Internal Tenancy Transfer Program Policy

## 9. AUTHORISATION

Approved by ..Karren Walker.....

Date of approval 28 / 02 / 2018

Position CEHL Chair