



Title	Factoring Debt Recovery Policy						
Purpose	<p>MH provides factoring services to private owners (including sharing owners and commercial clients) and to properties owned by the Association. Factoring services extend to the management and maintenance of common parts of buildings, and for invoicing and collecting payments for services provided.</p> <p>MH aims to provide an efficient and effective factoring service to its owners and ensure effective maintenance of its factored portfolio. In order to provide value for money and to ensure the long term sustainability of the service, it is essential that the Association takes a robust but sensitive approach in the management and recovery of factoring arrears.</p>						
Scope	<p>The Policy relates to the recovery of factoring arrears including:</p> <ul style="list-style-type: none"> • Management Fees • Factoring charges • Insurance premiums • Recoverable costs for repairs, maintenance and improvement works • Other charges to owners • Recovery of MH administration costs associated with late payments • Recovery of costs associated with legal action incurred in the recovery of factoring arrears <p>The Director of Operations will oversee implementation of and adherence to this Policy, whilst the Investment Manager and Factoring Team will ensure day to day compliance with both the Debt Recovery Policy and Debt Recovery Procedure.</p>						
Definitions	<p>For purposes of this policy, unless otherwise stated, the following definitions shall apply:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Term</th> <th style="text-align: left;">Definition</th> </tr> </thead> <tbody> <tr> <td>MH</td> <td>Maryhill Housing Association</td> </tr> <tr> <td>SMT</td> <td>Senior Management Team</td> </tr> </tbody> </table>	Term	Definition	MH	Maryhill Housing Association	SMT	Senior Management Team
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<p>Policy Statement</p>	<p>The following principles outline the Association’s approach to the recovery of factoring arrears:</p> <ul style="list-style-type: none"> • MH will promote a culture of prompt and full payment • MH will apply late payment charges to encourage culture of prompt and full payment • MH will ensure owners accounts are kept up-to-date to enable early detection of arrears and action taken to prevent arrears escalating • MH will utilise all available resources to enable staff to manage arrears cases • MH will take a staged approach in the recovery of its factoring arrears which will be fairly and consistently applied • MH will initiate prompt enforcement action through legal proceedings if required in line with its staged debt recovery procedure. All action taken will reflect the debtors individual circumstances • MH will fully explore and asses all available legal options for recovery of arrears with appointed solicitors/debt recovery agency • MH will not pursue for Sequestration/Bankruptcy unless under exceptional circumstances and approved by both the Director of Investment & Regeneration and the Board • MH will agree payment arrangements which are reasonable for both parties, taking into account individual household circumstances • MH will ensure regular, timely and effective communication • MH will provide clear debt recovery procedures for staff which will be reviewed every 3 years • MH will provide debt recovery training for its staff and will keep staff informed of changes to the Debt Recovery Policy and Procedure • MH’s SMT will monitor adherence to the Debt Recovery Policy and Procedure <p>When managing arrears the Association will ensure full compliance with legislation and the requirements of the Scottish Housing Regulator. Other relevant policies and procedures include the Factoring Policy and the Factoring Debt Recovery Procedure.</p> <p>The following areas will be subject to monitoring and control by MH SMT and internal audit:</p> <ul style="list-style-type: none"> • Debt levels by value and age • Risk management and bad debt write offs • Effectiveness of debt recovery procedures • Staff training and compliance
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	This policy complies with the Association's core values of equality and diversity.
Approval	Policy & Performance
Policy Owner	Factoring Manager
Review	April 2020