

HOUSING AUTHORITY OF THE CITY OF SEATTLE
MANUAL OF OPERATIONS

SUBJECT: Non-Sufficient Funds (NSF) Checks

SCOPE: These policies and procedures shall apply to all low-income housing rental programs administered by the Seattle Housing Authority.

POLICY:

The Housing Authority has adopted a system of rent payment that involves rent statements being sent to tenants each month along with a postage-paid return mail envelope. This is to encourage tenants to pay their monthly rent by mail using either personal checks, money orders, or cashier's checks. Occasionally tenants will issue checks in payment of their rent and/or related charges for which they do not have sufficient funds in the bank. In such cases, the bank will not honor these checks and returns them to the Housing Authority. In this process there are bank charges and other staff costs to process the NSF check. It is the Housing Authority's intent to recover such costs from the issuer when this occurs.

The Housing Authority shall charge tenants a service charge whenever personal checks or other checks submitted as payment on their accounts are returned by the bank because of non-sufficient funds, stop payment, and/or account closed. If extenuating circumstances can be adequately established and documented by the tenant, the Manager may waive the service charge.

After two returned checks have been received from any one resident, no further personal checks shall be accepted (see Exhibit 1). The privilege of paying by personal check shall again be allowed after one year, but shall be withdrawn again if one check is returned.