

Strategies for Handling Rent During the COVID-19 Crisis

1. Determine how long you can survive financially without collecting rent so you are **clear on your own situation**.
2. **Build up** your own cash reserves. This is the time to protect yourself and your access to any emergency lines of credit. Consider taking cash from one line of credit and depositing it your bank account at another financial institution. This will cost you interest but prevents banks from proactively reducing your line of credit or closing it entirely.
3. Reach out to your largest expense sources and **negotiate a deferral or partial payment plan**. This includes mortgages, utilities, insurance etc.
4. **Proactively call your mortgage company** to defer payments or ask for the options that are available should you want to in the future.
5. Identify which of your tenants are at the greatest risk of **rent disruption**.
6. Ask tenants to **reach out to you immediately** if they will have problems making rent.
7. Definitely show **compassion**, especially during these times.
8. **Temporarily reduced rents** and "catch up" payments may be the easiest and quickest solution to any tenants who cannot make a full rent payment. **Document** any temporary agreements clearly with clear date ranges and reasons. Here is a sample of how to document deferred rent and partial payment plans:
April - partial rent payment April 1 of \$XX
May - partial rent payment May 1 \$XX
June - full rent payment on June 1 of \$XX and balance of April's rent to be paid June 15 in the amount of \$XX
July - full rent payment of \$XX on July 1 and balance of May's rent to be paid July 15 in the amount of \$XX
9. If a tenant needs to apply for **Employment Insurance** the best way may be online at www.Canada.ca (offices will be busy). Encourage them to do that right away. Do not wait for a record of employment during these times, file right away.
10. **Utility companies** are also setting up **relief options** so have them reach out to utility companies and apply for that. An example is: www.HydroOne.com/relieffund
11. For mortgages on properties where you know they will be missing rent **call the bank and defer making mortgage payments**. Canadian banks are now doing this right now on both primary home mortgages and rental mortgages. After you have deferrals confirmed then you may be able to pass that on to the tenant via deferred rent. Ask for some sort of proof of being laid off from the tenant, this may help

with the bank. But don't wait for that either, call the bank immediately. **Ask for relief of your mortgage, HELOC etc. Whatever necessary.** Banks have been instructed by the Government of Canada to allow for deferrals of up to six months. Don't take no for an answer. Any extra interest should be a tax deduction (check with your accountant of course).

12. Where appropriate encourage tenants to be on the lookout for new job opportunities that arise. **Every adversity has equal or greater opportunity.**

13. We have confirmed with different legal sources and it's still important to issue an N4 and/or L1 as necessary. Explain to the tenant they are not being evicted during this time but you need to follow the processes in place. **Show compassion** and detail, with written explanation, any reduced rent payments or deferred payment options that you have agreed to. However, if you have **negotiated deferrals** on your mortgage payments you may choose to **delay issuing N4's** etc. while the deferrals are in place. This is case-by-case and a personal decision obviously. Use your discretion.

14. **Keep up to date** with any new relief programs available and keep communication with your tenants active.

15. Get familiar with the **Government of Canada's** economic relief plans and programs. They are being summarized here:

<https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>