



February 2011

Hi

You are either getting this newsletter as a result of already opting into it receiving a newsletter from us, or I may have taken the liberty of using the business card you gave me, at the last REINZ national property manager's conference in Wellington last year, at our sister company's stall – Tenancy Information N Z. If you don't want to receive our bi-monthly newsletter, in which we hope to bring you news in the collections industry which may affect rental arrears recovery, please use the links below to remove yourself or just reply back to this email and I will take you off the list.



CHRISTCHURCH EARTHQUAKE

We have made an arbitrary decision to suspend all new enquiry work in the Christchurch area, for at least 60 days, whilst our fellow citizens try to get their life back together. It is pointless trying to add more stress on their lives when most of our creditor clients have already put other measures in place to cover the loss prior to giving us their instructions.

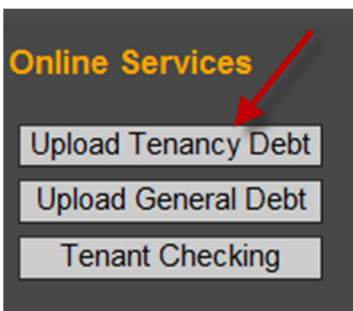
PROMOTION – CASH BACK TO YOU

However now that the rest of us are all back at work, and long forgot about the holidays over the Xmas & New Year period, we are hit with realities of all those other tenants who have not paid their rent over the period. By now you could be sitting on the appropriate Tenancy tribunal orders thinking what you are going to do with them.

We are going to run a competition to promote our on-line upload debt facility to run from March 2011 to April 2011 which was commissioned at the end of Labour week-end October 2010.

We will pay \$200 to the individual, and \$500 to the agency, that uploads the most debts during March & April 2011, under our option 2.

You can upload your debts via a button on most pages of our website



or you can try it now by clicking on this link <http://www.cia.co.nz/upload-tenancy-debt.html> or copying and pasting the link into your Internet browser

NEWS FROM THE COLLECTION INDUSTRY

[Adding Collection Company costs](#) -By now you will know about the amendment to Section 32 of the Residential Tenancies Act, which came into effect on 1.10.10, and which has clarified the position that you can add debt collection company's charges to a Tenancy Tribunal order if you have a suitable clause in your tenancy agreement.

The practice is that once you have been granted a Tenancy Tribunal order, you have to go back to the tribunal to apply for an amendment to that order to get reasonable collection costs added. If you don't do that, you will find when it comes time for a debt collection company to enforce (collect) the order via the District Court, they collection company can only add solicitor's fees and court filing fees incurred in the enforcement application process. The collection company commission and/or registration fees cannot be added to the debt.

What hasn't been determined is what is reasonable. There is more on our website which talks through the issues of adding costs... <http://www.cia.co.nz/adding-collection-costs.html>

[Ministry of Justice/ WINZ agreement to not restart attachment orders](#)

The Ministry of Justice has just advised that they agree with a new WINZ policy that they won't restart an attachment (deduction) order on a beneficiaries entitlement if it has been stopped for more than 3 months. They advise we will have to do another examination to get a new attachment order. WINZ gave the reason, for the new policy, that the person's financial circumstances could have changed significantly so the attachment order could be too onerous with their new financial circumstances.

We immediately wrote to them saying this was ridiculous in light of the fact that these, not so insignificant costs, are added to the debt that has to be paid back by people that can least afford it. Not only that, we (you and CIA) have to fund these extra costs before recovering them on extended instalment arrangements.

We suggested that WINZ could use the same principles that they always apply - if an attachment order impinges on the 60% protected income that WINZ can reduce the amount of the deduction from the beneficiary's entitlement rather than to not restart an attachment order at all.

We will advise if we get a reply.

Geoff Knight
Managing Director