



Serving co-ops in Toronto, Durham and York Region.

Memo to: Co-op staff and Boards of Directors  
From: Judith Collins, Co-op Advisor, Co-operative Housing Federation of Toronto  
Subject: Paying your mortgage during Covid-19  
Date: April 1, 2020

---

Co-ops may be dealing with reduced monthly housing charge deposits for the next few months as co-op members adjust to a new reality of possible unemployment and loss of monthly income. This will mean smaller deposits at the first of the month and will require more oversight of your co-op's bank accounts and the co-op's capacity to meet financial obligations.

There are financial or operational circumstances that can make the availability of enough cash to meet your financial obligations more challenging for some co-ops:

1. The co-op has an operating and/or accumulated deficit and therefore limited cash reserves.
2. The co-op is doing a major capital project and this work has required a larger amount of the co-op's cash resources.
3. The co-op has made a large transfer to their capital reserve (which may be held by a separate entity such as World Source if your co-op receives municipal funding) and now the operating account is not sufficient due to lower housing charge deposits.
4. Federal co-ops may have a lot of money in term deposits and it may take time to access those funds if they are needed for monthly co-op financial obligations.

What to do:

1. Assess your available operating cash position as soon as possible. Use your bookkeeping and financial staff resources to help you.
2. If you think there is a possibility that there will not be enough money at the beginning of the month to pay the mortgage, get in touch with the co-op's regulator (either the Service Manager- municipal funding or The Agency for Co-operative Housing - federal funding).
3. Write out a list of any pre-authorized payments other than the mortgage such as insurance, utilities, taxes and payroll and assess if there will be enough available cash for these expenses.



Serving co-ops in Toronto, Durham and York Region.

4. It is important that the co-op's mortgage is paid; however depending on the co-op's circumstances there may be competing obligations such as payroll.
5. If you have questions, you can email [judith@coophousing.com](mailto:judith@coophousing.com)