

FORMAL GRIEVANCE

OBJECTION TO CONSTRUCTIVE DENIAL OF HARDSHIP REPAYMENT REQUEST, DEMAND FOR ACCOUNT CORRECTION, AND PROPOSED INFORMAL RESOLUTION

Date: August 21, 2026

TO:

Kim Musgrave, Executive Director
Housing Authority of the County of Wayne, Illinois
303 North First Street
Fairfield, Illinois 62837

FROM:

[REDACTED]
Fairfield Hi-Rise, Unit [REDACTED]
Fairfield, Illinois 62837

RE: Formal Grievance — Hardship Repayment Request; Late-Fee Charges; August 3, 2026 Termination Demand; Proposed Informal Settlement

Dear Ms. Musgrave:

I am submitting this as my **formal grievance** concerning the Housing Authority's failure to issue a determination on my June 3, 2026 hardship repayment request, the subsequent Aug 3, 2026 demand for full payment under threat of termination, and the continued assessment and collection of late fees associated with the balance that I requested to be placed under a hardship repayment arrangement.

I am also making a **good-faith proposal for informal resolution** so that this matter can be resolved without further proceedings.

I. June 3, 2026 Hardship Repayment Request

On June 3, 2026, I submitted a written request for a hardship repayment agreement concerning my rent arrears.

My proposed arrangement was straightforward:

- payment of my regular monthly rent and recurring charges;
- an additional **\$300 per month toward the arrears**;
- continued payment of the current monthly obligation;
- completion of the arrears repayment through the proposed payment schedule.

The request expressly asked WCHA to either approve the arrangement or identify in writing any terms WCHA considered necessary to modify it.

No written determination was provided.

The resident ledger instead continued to carry the balance as an ordinary delinquent account.

II. WCHA Accepted Payments Consistent With the Proposed Arrangement

Despite the absence of a written determination, I continued making payments consistent with the repayment structure I proposed.

- In June 2026, I paid **\$566.00** toward the current account and **\$300.00** toward the outstanding balance.
- In July 2026, I paid **\$566.00** toward the current account and **\$300.00** toward the outstanding balance.
- On August 3, 2026, I again paid **\$579.00** toward the current account and **\$300.00** toward the outstanding balance.

These payments were not attempts to avoid my obligations. They were made in accordance with the repayment structure I had proposed to WCHA and demonstrated my continuing ability and willingness to cure the legitimate balance.

The August rent amount increased slightly as a result of the applicable rent redetermination. I have continued making payments consistent with the hardship repayment proposal notwithstanding that adjustment.

WCHA accepted these payments.

Nevertheless, WCHA never provided a written determination accepting, rejecting, or modifying my June 3 hardship repayment request.

III. August 3, 2026 — Constructive Denial of the Hardship Request

On August 3, 2026, rather than providing a written determination concerning my pending hardship repayment request, WCHA demanded that the remaining balance be paid in full by **August 15, 2026**, or that I would be evicted.

During that communication, WCHA stated, in substance:

“It’s a shame, we could have worked something out.”

That statement is particularly significant because WCHA had already been presented with a written proposal to “work something out”.

The June 3 hardship request was never formally approved, denied, or modified.

Instead, the unresolved request was effectively replaced by a demand for immediate payment of the remaining balance under threat of termination.

I therefore consider WCHA’s conduct on August 3 to constitute a **constructive denial of my pending hardship repayment request**, because WCHA did not issue a written determination approving, denying, or modifying the request, but instead effectively denied the requested repayment arrangement by demanding payment of the remaining balance in full under threat of termination. WCHA did not provide a written determination stating the basis for that disposition or a meaningful opportunity to challenge the disposition through the applicable grievance procedure.

A demand for full payment is not a substitute for the determination I requested.

IV. The August 3 Demand Does Not Resolve the Pending Grievance Issue

The issue presented by this grievance is not simply whether I owe a balance.

I acknowledge my obligation to pay legitimate rent and legitimate recurring charges.

The issue is **how WCHA administered my hardship request and the account after receiving it.**

- I submitted a written hardship repayment proposal.
- WCHA did not issue a written determination.

- I continued making payments consistent with the proposal.
- WCHA accepted those payments.
- WCHA created the conditions I relied upon for housing security
- WCHA nevertheless continued carrying the balance as an ordinary delinquency and continued adding late fees.

Then, on August 3, WCHA demanded full payment by August 15 under threat of eviction.

This sequence effectively **deprived me of a meaningful opportunity** to receive and challenge a determination concerning the very repayment arrangement I had requested.

V. Disputed Late-Fee Charges

My resident ledger contains late-fee charges that were assessed against my account.

The June 3, 2026 ledger reflected two \$20 late-fee charges.

I was never provided meaningful and timely written notice identifying those or the subsequent additional charges as an alleged violation of the applicable lease requirements and providing me an opportunity to challenge them through the applicable grievance procedure.

The charges nevertheless remained on the account and were treated as amounts billable and collectable.

I specifically dispute the late fees associated with this matter.

I request that WCHA identify the contractual and policy authority for each disputed late fee and the notice provided concerning each and every charge.

Absent the required notice and opportunity to exercise applicable grievance rights, these charges should not have been treated as established, billable, and collectible obligations.

VI. Demand for Removal of Late Fees With Prejudice

I therefore demand that all late fees associated with the disputed account balance **be** permanently removed from the account and **not reinstated or reasserted as an obligation arising from these disputed charges.**

They should be removed from the account beginning with the first disputed charge and should as demonstrated in the ledger, not subsequently be reinstated, reclassified, or included in any repayment calculation arising from this matter.

The account should instead be recalculated using only amounts WCHA establishes as legitimately due and properly chargeable.

I further request a written statement showing the recalculated balance and the amount WCHA contends is properly due on **September 3, 2026**.

VII. My September 3 Payment

I fully intend to make my final payment on **September 3, 2026**, consistent with the repayment structure I proposed and the payment pattern WCHA accepted.

I am not refusing to pay legitimate obligations.

I am requesting that WCHA first remove the disputed late fees and properly calculate the remaining legitimate balance.

The appropriate cure is therefore to:

1. remove the disputed late fees;
2. recalculate the account from the inception of the disputed charges;
3. recognize the payments already made;
4. provide a written accounting of the legitimate remaining balance; and
5. provide the amount properly due on September 3, 2026.

VIII. Formal Grievance Concerning WCHA's Inaction

This grievance also challenges WCHA's failure to act upon my June 3 hardship repayment request.

I am requesting a formal determination concerning:

1. whether my June 3 hardship repayment request was received;
2. whether WCHA considered the request;
3. whether WCHA approved, denied, or modified the request;
4. if denied or modified, the date and reason for that determination;
5. the authority relied upon for that determination;
6. why no written determination was provided before the August 3 demand;
7. why payments consistent with my proposed repayment arrangement were accepted without a written determination;
8. why the account continued to accumulate late fees while the hardship repayment request remained unresolved; and

9. the legal and policy basis for demanding full payment by August 15 rather than resolving the pending hardship request.

I request that WCHA provide a written determination addressing these issues individually.

IX. Proposed Informal Settlement

Although I am formally grieving WCHA's handling of this matter, I remain willing to resolve it informally.

I propose that the parties resolve the matter on the following terms:

1. WCHA removes all disputed late fees associated with this matter **with prejudice**.
2. WCHA recalculates the resident account from the inception of the disputed charges.
3. WCHA provides a written accounting identifying the legitimate balance remaining after removal of the disputed charges and crediting all payments made.
4. WCHA provides the amount properly due on **September 3, 2026**.
5. WCHA recognizes the repayment structure reflected in my June 3 request and the payments subsequently made, or provides a written counterproposal establishing an alternative reasonable repayment arrangement.
6. WCHA withdraws any termination demand based upon the disputed charges or the unresolved hardship request.
7. No disputed late fees are subsequently reimposed in connection with this matter.
8. The final resolution is reduced to writing and placed in my resident file and account.

X. Prospective Corrective Measures

Because the circumstances giving rise to this grievance concern the administration of WCHA's rent-collection and repayment practices, I further request that any informal resolution include the following prospective corrective measures.

1. Written Determinations

WCHA shall provide written determinations concerning hardship requests, repayment requests, and other requests requiring a decision affecting a resident's tenancy rather than treating silence, inaction, a demand for full payment, or a threatened termination as a substitute for a determination.

2. Preservation of Grievance Rights

WCHA shall administer its rent-collection, hardship, repayment, and termination practices consistently with the grievance rights provided under **24 C.F.R. Part 966, Subpart B**, the resident's lease, and WCHA's applicable grievance procedure.

3. Proper Notice of Charges

WCHA shall not pursue or collect disputed late fees or other tenant charges without providing the notice and procedural protections required by the applicable lease, WCHA policy, and governing law and regulation.

4. No Continuing Late Fees on Arrears Being Repaid

WCHA shall not continue accumulating late fees merely because an arrearage remains outstanding while the resident is making payments toward that arrearage pursuant to an established or agreed repayment arrangement.

5. No Circumvention of Pending Requests

WCHA shall not use a termination demand to circumvent a pending hardship request, repayment request, or other matter requiring determination where resolution of that matter may affect the amount claimed to be owed or the resident's ability to cure.

6. Accurate Account Administration

WCHA shall distinguish between current rent, legitimate arrears, disputed charges, and amounts subject to repayment rather than allowing unresolved charges to remain embedded in the account and generate additional collection consequences.

7. Non-Coercive Exercise of Resident Rights

WCHA officials and employees shall communicate with residents concerning hardship requests, repayment agreements, grievances, and termination proceedings in a manner that does not discourage or penalize residents for exercising rights available under the lease, WCHA policies, or applicable law.

8. Written Repayment Agreements

Any repayment arrangement accepted by WCHA shall be reduced to writing and shall identify the balance being repaid, the payment amount, due dates, conditions of default, and applicable grievance rights.

9. Board-Level Policy Correction

To the extent implementation of these corrective measures requires the adoption, amendment, rescission, or replacement of a WCHA policy or procedure, the matter shall be presented to the **Board of Commissioners for appropriate formal action.**

These prospective measures are intended to prevent recurrence of the practices giving rise to this grievance and to establish a clear administrative record of the corrective measures agreed upon by the parties.

XI. Informal Settlement Conference

I am willing to participate in an informal settlement conference to resolve this matter.

Before the conference, however, I request that WCHA provide its proposed terms of resolution in writing, including:

- the balance WCHA contends is legitimately owed;
- removal or treatment of the disputed late fees;
- the proposed repayment terms;
- the proposed treatment of the September 3 payment; and
- any other conditions WCHA proposes as part of settlement.

Providing the proposed terms beforehand will allow the conference to address a defined proposal and permit meaningful discussion of any counterproposal.

Participation in an informal settlement conference shall not constitute a waiver of this grievance or acceptance of any disputed charge unless a written resolution is reached and expressly accepted.

XII. Designation of Representative

I designate [REDACTED] as my representative and advocate in this matter, consistent with the applicable grievance procedure and federal requirements governing resident representation.

I request that WCHA direct communications concerning this grievance and any proposed informal resolution electronically to:

[REDACTED]

XIII. Formal Determination Concerning Rent-Collection and Termination Practices

Ms. [REDACTED] further requests a formal determination concerning the administrative practices employed by the Executive Director in the collection of rent, administration of hardship and repayment requests, assessment and collection of late fees, and initiation of termination proceedings.

Specifically, Ms. [REDACTED] requests that WCHA determine and state in writing whether the following practices are authorized by WCHA policy and applicable law:

1. allowing a hardship or repayment request to remain unresolved without a written determination;
2. treating a demand for full payment or threatened termination as a substitute for a determination on a pending hardship or repayment request;
3. continuing to assess late fees while a resident is making payments toward an arrearage for which a repayment arrangement has been requested;
4. including disputed or unresolved charges in the balance demanded as a condition of avoiding termination;
5. initiating or threatening termination without first providing the resident a meaningful opportunity to challenge disputed charges through the applicable grievance procedure;
6. using verbal or written communications concerning threatened termination in circumstances where a resident's pending request for hardship relief, repayment, or grievance remains unresolved; and
7. administering these practices without a documented Board-approved policy establishing the authority, procedure, and limitations governing them.

For each practice, WCHA should identify the **specific written policy, lease provision, Board resolution, regulation, or other authority** upon which it relies.

If WCHA determines that any identified practice is not authorized or is inconsistent with WCHA policy or applicable requirements, Ms. [REDACTED] requests that WCHA identify the corrective action to be taken and whether that corrective action will apply prospectively to similarly situated residents.

Ms. [REDACTED] further requests that this determination be treated as a **policy and administrative-practice issue in addition to the individual grievance concerning her account**, and that any matter requiring Board-level policy action be referred to the Board of Commissioners for formal consideration.

Because the matters identified in Section XIII concern actions, decisions, and administrative practices attributed to the Executive Director, Ms. [REDACTED] requests that the Executive Director not be the final decision-maker regarding the propriety, authority, or compliance of those practices. Any determination concerning whether the Executive Director acted within her delegated authority, complied with WCHA policy, or properly administered the challenged procedures should be made by an impartial person or body with authority independent of the conduct under review. Where the matter involves the adoption, amendment, interpretation, authorization, or correction of WCHA policy, or otherwise falls within the Board's governing authority, it should be referred to the Board of Commissioners for formal consideration and action.

This request does not prevent the Executive Director from providing factual information or the Authority's administrative position concerning the matters at issue. It recognizes, however, that the person whose conduct is being challenged should not also be responsible for making the final determination as to whether that conduct was authorized or compliant. Ms. [REDACTED] therefore requests that the determination concerning the practices identified in Section XIII be made by the appropriate impartial authority and incorporated into the formal grievance record.

XIV. Requested Written Determination

I request a written response addressing each issue raised in this grievance, including:

1. the status and disposition of my June 3 hardship repayment request;
2. the basis for the August 3 demand for full payment;
3. the basis for the threatened termination;
4. the authority for each disputed late fee;
5. the notice provided for each disputed late fee;
6. the removal of the disputed late fees;
7. the recalculated legitimate account balance;
8. the amount properly due September 3, 2026;

9. WCHA's proposed informal settlement terms; and
10. WCHA's response to each prospective corrective measure requested above.

I am seeking resolution of this matter through the grievance process and, if possible, through an informal settlement that corrects both the account and the administrative practices that produced this dispute.

Nothing in this grievance constitutes a waiver of any right, defense, claim, grievance right, statutory right, regulatory protection, contractual right, or judicial remedy available to me.

Respectfully submitted,

[Redacted signature block]

Date: 8/21/20

Designated Representative/Advocate:

[Redacted name]
[Redacted address]