

Procedure Guidelines Good Credit - Residential

Purpose: To provide for information to our customers regarding Security Deposits and our good credit guidelines

Policy: All residential accounts shall be charged a security deposit according to City of Columbia's Code of Ordinances

Sec. 27-20. - Security deposits.

- a) Each new customer shall be required to make a security deposit as a condition of service.
 - 1) Customers requesting services to a one-family dwelling or one-family unit of a larger residential building shall deposit the following amounts for receiving utility services:
 - a. Electrical service\$75.00
 - b. Water service25.00
 - c. Sewer service45.00
 - d. Refuse service20.00

At the discretion of the finance director, the security deposit may be waived upon the customer establishing one (1) year (twelve (12) consecutive months) good credit or furnishing a letter of good credit from the customer's previous utility provider. The finance director will maintain a written policy that defines good credit.

- 2) When more than one of the above services is requested, the amount of the deposit shall be the total amount of the fees shown for the services requested. The finance director may also increase security deposits for residential accounts to minimize the city's risks where appropriate.

Procedure: All residential accounts will be charged a deposit as defined in Sec 27-20(a)(1)

New Customers - may complete a Waiver of Deposit form and submit a letter of good credit from another utility. The utility service(s) cannot have been terminated for more than 3 months and the applicant must have been the account owner or listed as a responsible party for the account.

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Letter of credit from the prior utility must be on utility letterhead and contain the following:

- provide contact information for the utility
- service start and end date
- previous twelve months history for
 - the number of disconnections
 - late payments
 - delinquent notices sent
 - number of NSF checks (return checks)

Current Customers - Customers with at least twelve months of utility history with the City of Columbia may fill out the Deposit Waiver form to request to have their deposit refunded. Deposits are refunded based on good credit being established with the City of Columbia.

Good Credit defined as (12 month criteria):

- No shut offs
- No more than one (1) delinquent notices sent
- No more than one (1) late payment
- No returned checks

Credit Risk Accounts - to re-establish good credit, must have 24 consecutive months of:

- No shut offs
- No more than two (2) delinquent notices sent
- No more than two (2) late payments
- No returned checks
- No broken payment agreements (if applicable)
- No write offs in last seven (7) years (84 months)
- No collection history for five (5) years (60 months)

Refund of Deposit for Credit Risk Accounts – After twenty-four (24) consecutive months of service customers may fill out the Deposit Waiver form to request a review of their account. Customer's account cannot show any of the above stated payment concerns noted under Credit Risk Accounts. If customer's account criteria meets the criteria for re- establishing good credit, half of any double deposit may be credited to the customer's account. A single deposit will be maintained on the account for an additional twelve months. After the twelve months, if account meets the good credit standards the remaining deposit can be credited to the customer's account upon customer request for waiver.

Policies are subject to change without notice

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