

Rosemary Malone

DEPARTMENT OF HUMAN RESOURCES INCOME MAINTENANCE ADMINISTRATION W. Saratoga Street Baltimore, Maryland 21201	IMA ACTION TRANSMITTAL
	EFFECTIVE DATE: Upon Receipt
ISSUANCE DATE: November 9, 1995	CONTROL NUMBER: IMA OPA #96-17

TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR INCOME MAINTENANCE
INCOME MAINTENANCE SUPERVISORS

FROM: *Katherine L. Cook*
KATHERINE L. COOK, ACTING EXECUTIVE DIRECTOR, IMA

RE: INACCESSIBLE RESOURCES

PROGRAMS AFFECTED: FOOD STAMPS

ORIGINATING OFFICE: OFFICE OF POLICY ADMINISTRATION

SUMMARY

This expands the criteria by which property can be considered inaccessible to households in the calculation of their resources.

BACKGROUND

Recently, the Food and Consumer Service published a final rule which implemented provisions of the Mickey Leland Memorial Hunger Relief Act of 1990, and the Food, Agriculture, Conservation and Trade Act Amendments of 1991 that expands the criteria by which a resource can be considered inaccessible.

OLD POLICY

Currently, policy describes both liquid and non-liquid resources that are counted when determining a household's eligibility for food stamps. Non-liquid resources such as, land, buildings, and licensed and unlicensed vehicles, with some exceptions, are included as resources because they can be converted to cash. Policy focuses on the accessibility/inaccessibility of resources.

To establish inaccessibility, households must provide proof that property it owns, which is not otherwise exempt, has little or no fair market value, cannot be sold because it is jointly owned with non-household members who are unwilling to sell, or is otherwise inaccessible. In many instances households find it difficult to provide verification.

NEW POLICY

Any resource that a household is unlikely to sell for any significant return because the household's interest is relatively slight or because the cost of selling the household's interest is relatively great may be excluded as inaccessible. A resource

will be considered inaccessible if its sale or other disposition is unlikely to produce any significant amount of money for the support of the family.

- "Any significant return" is any return, after estimated costs of sale or disposition, taking into account the ownership interest of the household, that is estimated to be one half or more of the applicable resource limit.
- "Any significant amount of money" is any money amounting to one half of the resource limit for the household.

In both cases this is \$1,000 for most households and \$1,500 for households with at least one person who is aged 60 or older.

Reminder: For categorically eligible households, the issue of accessibility of resources is irrelevant

- This policy does not apply to vehicles or liquid resources such as stocks or bonds.
- It does not change current policy regarding jointly-owned and inaccessible resources.
- Each resource is individually assessed in the determination of inaccessibility. They are not added together.

Verification is not required unless the information provided by the household is questionable.

Situation 1:

Ms. Smith applied for food stamps for herself and two children. She stated she owns the following resources:

1. A home in which they live.
2. A licensed 1993 Ford Escort, NADA valued at \$5,100, which is jointly owned with her husband who is not in the home.
3. Checking and savings accounts totalling \$1500.
4. Property she inherited jointly with her four siblings. Her share is valued at \$950.
5. A vacation lot valued at \$975.

What resources are included and what are excluded?

Excluded resources are:

1. The home
2. The vehicle is excluded as an inaccessible resource because her husband is not willing to sell.
3. The heir property is excluded as inaccessible because the amount of estimated return is less than \$1,000.
4. The vacation lot is excluded as inaccessible because the amount of estimated return is less than \$1,000.

The only countable resources in this example are the bank accounts. This household's resources are within the limits.

Situation #2

Mr. and Mrs. Jones applied for food stamps. Mr. Jones is 61. They stated they own the following resources:

1. Stocks valued at \$1500.
2. A checking account containing \$1400.
3. A vacation lot valued at \$1475.
4. The home in which they live.

What resources are included and what are excluded?

Excluded resources are:

1. The home in which they live
2. The vacation lot is excluded as inaccessible because the amount of estimated return is less than \$1500.

The stocks and checking account are countable resources. Since the total is less than \$3,000, the household's resources are within the limits.

These examples are not meant to limit what may be excludeable under this policy. There may be other types of property which meet the criteria such as, time shares, or a lot owned with others.

ACTION REQUIRED

CARES

On the AST2 screen, code the real property use code as "IN" for property which meets the above criteria for exclusion. Enter documentation in the narrative.

AIMS

Do not enter excluded resources on the AIMS 3. Document the case record thoroughly to reflect the reason for excluding any resource.

Please place the attached manual pages in the appropriate place in the Food Stamp Manual.

ACTION DUE

Action is due upon receipt of this transmittal. The change in policy is effective September 20, 1995, and must be implemented by January 1, 1996.

INQUIRIES

Please direct questions to Kay Finegan at (410) 767-7939.

Attachments

cc: DHR Executive Staff
IMA Management Staff



1EF: 7CFR	Section Title	Section	Page
	RESOURCES	200	5

GENERAL INFORMATION: (Con'd)

200.4

- o Excluded Resources

value. This includes land contracts for buildings and/or land when payments are being made in accordance with the terms of the contract, and rental property which is rented for an amount consistent with other rentals in the area.

- . Property which is essential to the employment of self-employment of a household member such as farm land.

E. Disaster Related Loans and Grants - Any governmental payments designated to restore a home damaged in a disaster, if the household is subject to a legal sanction for using the payment for other purposes. Examples are payments made by the Department of Housing and Urban Development through the individual and family grant program or disaster loans or grants made by the Small Business Administration.

F. Inaccessible Resources - This includes but is not limited to, irrevocable trust funds, rent or utility security deposits, inaccessible jointly owned resources, property probate, any resource (other than vehicles) that a household is unlikely to sell for an amount less than one half of the appropriate resource limit for the household, and real property a household is making a good faith effort to sell at a reasonable price. The worker may, if questionable, verify that the property is for sale and that no reasonable offer has been refused. Verification can be made either by collateral contact or documentary evidence such as, real estate listings or an advertisement in a newspaper.

NOTE: Any funds in a trust, or transferred to a trust, including income produced by the trust is considered inaccessible, if:

- .. the trust arrangement is not likely to end during the certification period;
- .. no household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period;

REF: 7 CFR	Section Title	Section	r
	RESOURCES	200	6

200.4	<p>GENERAL INFORMATION: (Con'd)</p> <p>o Excluded Resources</p>	<p>.. the trustee administering the fund is either: (1) a court, or an institution, corporation, or organization which is not under the direction or ownership of any household member, or (2) an individual (including a household member) who has court imposed limitations to restrict use of the fund to benefit the specific person named by the trust.</p> <p>.. trust investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction or influence of a household member; and</p> <p>.. the funds in the irrevocable trust are either (1) established from the household's own funds solely to make investments on behalf of the trust to pay the educational or medical expenses of any person named by the household creating the trust, or (2) established from non-household funds by a non-household member.</p> <p>G. <u>Resources Which have been Prorated as Income</u> - This includes income of students or self-employed persons.</p> <p>H. <u>Indian Lands Held Jointly With the Tribe</u> - In addition, land that can be sold only with the approval of the Department of Interior's Bureau of Indian Affairs is excluded.</p> <p>I. <u>Resources Excluded by Federal Statute</u> - The following resources are excluded for food stamp purposes by Federal statute:</p> <ol style="list-style-type: none"> 1. Benefits received under the special supplemental food program for women, infants, and children (WIC); 2. Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970; 3. Payments or allowances made under any Federal, State or local law for the purpose of energy assistance. These payments must be clearly identified as energy assistance by the legislative body authorizing the program or providing the funds. Exempt programs include but are not limited to the Low Income Energy Assistance Programs through CSA; and home weatherization programs. Each local office must develop a list
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