



Department of Human Resources
311 W. Saratoga St.
Baltimore, MD. 21201-3521

FIA ACTION TRANSMITTAL

Issuance Date: IMMEDIATELY

Effective Date: October 1, 1996

Control Number: FIA/OPA 97-11

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS**

FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA 

RE: FAMILY INVESTMENT PROGRAM (FIP) ASSET ELIGIBILITY

PROGRAMS AFFECTED: CASH ASSISTANCE, FOOD STAMPS

**ORIGINATING OFFICE: OPA/ DIVISION OF PROGRAM POLICY AND
REGULATION**

CURRENT ASSET POLICY:

The current asset limit in AFDC is \$1,000. The Food Stamp limit is \$2,000. If the Food Stamp household has a member age 60 or older, the limit is \$3,000.

AFDC units can exclude up to \$1,500 equity value of one vehicle. The remaining equity of all vehicles is applied to the asset limit. Food Stamp households have certain vehicles tested against a \$4,600 fair market value. The remaining values are applied to the asset limit.

AFDC counts the value of life insurance against the asset limit. Food Stamps excludes life insurance.

In AFDC, real property is excluded for 9 months if the recipient signs an agreement to sell the property and repay the benefits. In Food Stamps, the property is excluded if it is for sale with a realtor.

ACTION REQUIRED OF: All Local Departments

**ACTION DUE DATE: October 1, 1996. Inquiries may be directed to Sue Woolford,
Division of Program Policy and Regulation, at (410) 767-7190.**

**cc: FIA Management Staff
Constituent Services**

\$2000 ASSET LIMIT

PROGRAMS AFFECTED: CASH ASSISTANCE, FOOD STAMPS

BACKGROUND INFORMATION:

The current asset limit in AFDC is \$1,000. The Food Stamp limit is \$2,000. If the Food Stamp household has a member age 60 or older, the limit is \$3,000.

ACTION REQUIRED:

Effective October 1, 1996, for all cases except Control cases, the FIP asset limit for Temporary Cash Assistance (TCA) is \$2,000. For Food Stamps, the asset limit remains at \$2,000 for most households and \$3,000 for households with a member age 60 or older.

AIMS

Control Group: If the FIP indicator is C, assets will be tested using the \$1,000 asset limit.

Experimental and Treatment Group: If the FIP indicator is T or E, assets will be tested against the \$2,000 asset limit.

CARES

The asset limit will be changed to \$2,000.

Control Group: If assets are over \$1,000, the worker will have to manually deny the AU with code 572 (Worker Voided Application).

Experimental and Treatment Group: No changes in processing will be necessary. CARES will test assets against \$2,000. If total assets exceed \$2,000, the case will be denied or closed.

On CAFI using the PF 13 key, add the following text to the notice:

"Your household is ineligible for cash assistance as the countable assets of \$ _____ exceed the allowable limit of \$1,000. COMAR 07.03.02.04 C(7)."

The workaround used to cause the denial/closure must be included in the narration. Narrate the action taken prior to finalizing the denial/closure.

EXCLUSION OF ONE VEHICLE REGARDLESS OF VALUE

PROGRAMS AFFECTED: CASH ASSISTANCE, FOOD STAMPS

BACKGROUND INFORMATION:

AFDC units can exclude up to \$1,500 equity value of one vehicle. The remaining equity of all vehicles is applied to the asset limit. Food Stamp households have certain vehicles tested against a \$4,600 fair market value. The remaining values are applied to the \$2,000 asset limit.

ACTION REQUIRED:

Effective October 1, 1996 for all cases except Control cases, the FIP unit can exclude one vehicle regardless of value. The equity value of additional vehicles is applied towards the asset limit. In applying the asset test to vehicles which cannot be excluded, the full equity value of each additional vehicle must be counted against the asset limit.

Example: The assistance unit has two cars, a 1994 Cierra and a 1988 Mercedes Benz. The equity value of the Cierra is \$750 and the equity value of the Mercedes is \$6,000. The Mercedes is excluded. The full equity value of the Cierra (\$750) is counted as an asset.

For non-FIP Food Stamp households, certain vehicles are tested against a \$4,600 fair market vehicle. The excess value is applied to the appropriate asset limit. Mixed Food Stamp households follow the FIP regulations. There is no requirement for the customer to provide titles to vehicles.

AIMS

Control Group: No change in processing is required.

Experimental and Treatment Group: The worker manually determines which vehicles are a countable asset and includes the value of the vehicles in the household's total countable assets.

CARES

Control Group: No change in processing is required.

Experimental and Treatment Group: Enter PR (Primary Residence) in the Vehicle Use Field on the AST2 screen to exclude the first vehicle for the recipient of cash assistance.

The workaround must be noted in the narration.

LIFE INSURANCE NOT COUNTED

PROGRAMS AFFECTED: CASH ASSISTANCE, FOOD STAMPS

BACKGROUND INFORMATION:

AFDC counts the value of life insurance against the asset limit. Food Stamps excludes life insurance.

ACTION REQUIRED:

Effective October 1, 1996 for all cases except Control cases, cash value of life insurance policies will be excluded for Temporary Cash Assistance (TCA) customers.

AIMS

Control Group: The worker determines the cash value of life insurance policies. No change in processing is required.

Experimental and Treatment Group: The worker excludes the cash value of life insurance policies.

CARES

Control Group: No change in processing is required. The cash value of insurance policies continues to be counted for cash assistance and excluded for food stamps.

Experimental and Treatment Group: If the household has life insurance policies with cash value, on the AST1 screen code the life insurance type field as **NO (No cash value)**. If there is an associated Medical Assistance AU for a household member not included in the cash assistance unit, enter the countable life insurance policies and the cash value on the AST1 screen of the household member who is excluded from the cash assistance unit.

The workaround used must be noted in the narration.

PROPERTY OTHER THAN HOME

PROGRAMS AFFECTED: CASH ASSISTANCE, FOOD STAMPS

BACKGROUND INFORMATION:

If the assistance unit member owns (or owns jointly) real property other than the home they live in, the value of the property may be disregarded for purposes of the \$1,000 asset limit and conditional payments may be made for up to a period of nine months while the member is attempting to sell the property. An agreement is signed by the member to dispose of the property and repay the amount of assistance received. Food Stamp policy excludes this property.

ACTION REQUIRED:

Effective October 1, 1996 for all cases except Control cases, if the assistance unit member owns (or jointly owns) real property other than the home lived in, the value of the property may be excluded while the member is attempting to sell the property. The member must verify that the property is for sale with a realtor.

AIMS

Control Group: No change in processing is required. The 9 month restriction continues to apply to this group.

Experimental and Treatment Group: The worker manually processes the real property exclusion.

CARES

Control Group: No change in processing is required.

Experimental and Treatment Group: Enter information regarding the property on AST2. Enter IN (Real property inaccessible) in the type of property field. If there is an associated Medical Assistance AU for a household member not included in the cash assistance unit, and the asset must be counted in the MA calculation, enter the information regarding the property on the excluded household member's AST2 screen.

The workaround used must be noted in the narration.