



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

## FIA ACTION TRANSMITTAL

Control Number: FIA/OPRS #99-35

Effective Date: Upon Receipt

Issuance Date: March 18, 1999

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

*Robert Everhard*  
**FROM: ROBERT EVERHARD, EXECUTIVE DIRECTOR**

**RE: RENT SUBSIDY AS INCOME**

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

### SUMMARY

As part of the AFDC restructuring Action Transmittal # 92-42, local departments were notified that effective January 1, 1993 customers who live in public housing (projects), Section 8 housing, or FMHA Section 515 rental assistance had \$45 of the rent subsidy they received counted as unearned income for AFDC. The change was made to reduce some of the disparity between customers who live in federally subsidized housing and customers who must pay market rate rent amounts.

Action Transmittal # 97-18 notified the local departments that the \$45 housing subsidy counted as unearned income for Temporary Cash Assistance customers (TCA) was raised to \$60 effective October 1, 1996.

This action transmittal clarifies which assistance units have \$60 counted as income for TCA, the verifications required and the penalties for non-compliance with this requirement. In addition, procedures are included to assist local department staff with correct coding on CARES for TCA assistance units residing in subsidized housing to help ensure payment accuracy.

## **ACTION REQUIRED**

Some customers live in homes where either a portion or the entire rental cost for the dwelling is paid by government funds (subsidies). Customers living in subsidized housing will have \$60 a month deducted as income from their TCA grants. **The \$60 is not considered as income for food stamps.**

### **Verification:**

Annual verification of housing type is required to be in the TCA case record. Case managers must request verification of housing type at application. Verification must be requested annually, at change of address or no later than the redetermination following a change of address for ongoing cases.

Verification of housing type can be a lease, mortgage or tax bill, DHR/FIA 1130-Living Arrangement Verification form or a local department living arrangement verification form that includes the customer's housing type. During a reinstate, reopen, etc., any proof already in the case record that verifies whether or not the customer is currently residing in subsidized housing is also acceptable.

### **Who Must Verify:**

All TCA applicants and recipients must verify the type of housing in which they reside:

- TCA applicants must provide verification of housing type. If the requested verification is not provided, **the case is denied.**
- TCA recipients must provide verification of housing type as follows:
  - At least once a year or
  - At change of address or
  - No later than the redetermination following a change of address.

If a TCA recipient does not provide the requested verification, **the TCA assistance unit is not eligible and the TCA case must be closed.**

### **Types of Subsidized Housing:**

Subsidized housing includes and **is limited** to the following:

- HUD Section 8
- Public Housing (Projects)
- FMHA Section 515 Rental Assistance

Shelter plus  
WOPWA

**NOTE:** Shelters, transitional housing, the Rental Assistance Program (RAP) and any other housing not listed above ARE NOT considered subsidized housing for this TCA requirement.

**SPECIAL CIRCUMSTANCES:**

The following are considered special circumstances when requesting verification of subsidized housing:

- Caretaker Relative – Child only cases where the caretaker relative is not the parent and not included in the grant are not required to verify housing type. The \$60 is not deducted from the TCA grant.
- Non-member TCA Parent – Cases where parents are in the home and not included in the grant are required to verify housing type (SSI, sanction, etc.). If residing in subsidized housing, the \$60 is deducted from the TCA grant.
- Customers living with someone else and do not pay rent directly to the landlord are required to verify housing type. The rent form may be completed by the person to whom rent is paid. If the rent for the residence is subsidized, the \$60 is deducted for each TCA assistance unit living there.

**REMINDER:** If the customer is required to verify housing type and does not provide verification, the case is ineligible

(CARES procedures are found on page 5 of this action transmittal.)

**NARRATE ALL CASE ACTIVITY CAREFULLY:**

Local departments must ensure that narration of case activity is clear, concise, and complete according to the action taken by the case manager. Good narration also supports the local department decision in the event of a fair hearing or selection of the case for Quality Control review.

**ACTION DUE**

Upon receipt

**INQUIRIES**

Please direct policy questions to Edna McAbier, Bureau of Policy and Training, at 410 767-8805. Direct CARES questions to Sarah Haygood, Bureau of Systems Development, Management and Testing, at 410 767-8592.

c: FIA Management Staff  
Constituent Services  
Help Desk  
CTF  
RESI

## **CARES PROCEDURES (FOR \$60 UNEARNED INCOME RENT SUBSIDY)**

Correct CARES coding for the \$60 unearned income rent subsidy is essential to help ensure accurate payment of benefits. Code CARES for rent subsidy as follows:

- Cases with parents and children included in the TCA assistance unit that have \$60 deducted from the TCA grant because they reside in subsidized housing are coded on CARES as follows:
  - On the SHEL screen for the head of household, enter "P", "R" or "S" in the Subsidized Housing field and the type of verification in the V field.
  - On the CAFI screen, the \$60 will appear in the Other Deductions field. CARES will enter the \$60 in this field if the case is coded correctly.
- Cases where parents are in the home and not included in the grant (sanction, SSI, etc.) and have \$60 deducted because they reside in subsidized housing are coded on CARES as follows:
  - On the UINC screen for the youngest child enter "OA" in the Source field, 60 in the Amt 1 field, type of verification in the V field, and "AC" in the Freq field.
  - On the CAFI screen, the \$60 will appear in the Other Deductions field. CARES will enter the \$60 in this field if the case is coded correctly.
- To allow CARES to deny a TCA application or close a continuing case for failure to verify housing type, on the appropriate SHEL screen enter NO in the housing type verification field. **Case managers are not to deny or close the case using worker entered CARES denial or closing codes for failure to verify housing type.**

### **REMINDER:**

**Child only cases, where a non-parent caretaker relative is not on the grant, do not require verification of housing type; therefore, the \$60 is not deducted from the TCA grant.**