



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number:
FIA OPRS # 99-35 Revised

Effective Date: UPON RECEIPT

Issuance Date: May 12, 1999

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

**FROM: *Robert Everhard*
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, the local department's responsibilities regarding verification, 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.

The new information is identified by a vertical line in the right margin of this action transmittal.

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. For ongoing cases, verification must be requested annually, at change of address or no later than the redetermination following a change of address.

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. In addition to verifying housing type, living arrangement forms may be utilized by the local department to determine assistance unit composition and shelter costs.

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.

Case managers must assist customers in obtaining verification of housing type through collateral contacts and other available means, where possible. For example:

- Often, local department staff know the public housing, other subsidized housing units or unsubsidized housing located within their districts. If a customer's housing type is known, case managers may document on the living arrangement form or NARR screen that the customer lives in/does not live in subsidized housing.
- When the subsidized housing section is not addressed on a customer's living arrangement form, the case manager should call the customer's landlord, rental office, etc. The information obtained about housing type can then be documented on the living arrangement form or NARR screen.

NOTE: Do not retire the current living arrangement form that verifies housing type when "cleaning up" the case record and retiring out dated verifications and other case record material. To help ensure that this does not happen, the case manager should write "DO NOT RETIRE" in red at the bottom of the living arrangement form used to verify housing type.

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 and collateral contact cannot verify housing type, **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 and the case manager is unable to verify housing type through collateral contact, **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

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 fails to verify housing type as required and housing type cannot be verified through collateral contact or other means, the case is ineligible.

(CARES instructions 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.

RIGHT TO APPEAL

As a reminder, local departments shall advise households of their right to appeal a local department decision and the procedures for requesting a fair hearing. Local departments must also advise households of any legal services that might be available to represent them during a fair hearing. To find out the number of their local Legal Aid office, customers may call Legal Aid's toll-free number, 1.800.999.8904.

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 as "Housing 60" to the right of the "Net Earned Income" field. CARES will enter the \$60 in this field, if the case is coded correctly. This amount will be the same as the amount in the "Gross Unearned Income" field, if there is no other unearned income for the household.
- 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 as "Housing 60" to the right of the "Net Earned Income" field. CARES will enter the \$60 in this field, if the case is coded correctly. This amount will be the same as the amount in the "Gross Unearned Income" field, if there is no other unearned income for the household.
- 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.