

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

DCF

Department for Children and Families

BULLETIN NO.: 07-02F

FROM: Joseph Patrissi, Deputy Commissioner
Economic Services Division

DATE: 4/16/07

SUBJECT: Emergency Assistance Rental or Mortgage Arrearage Assistance

CHANGES ADOPTED EFFECTIVE 5/1/07

INSTRUCTIONS

- Maintain Manual - See instructions below.**
 Proposed Regulation - Retain bulletin and attachments until you receive Manual Maintenance Bulletin:
 Information or Instructions - Retain until _____

MANUAL REFERENCE(S):

2813.3

This bulletin implements changes in Emergency Assistance (EA) rental or mortgage arrearage assistance rules required by Act 215 enacted by the Vermont General Assembly in April 2006.

Act 215 codified arrearage assistance in current EA rules, establishing eligibility requirements for up to three months of rental or mortgage arrearage assistance for eligible families. It also abolished the Category I and II distinction in current arrearage assistance rules and added new provisions.

Changes Related to Eligibility

This bulletin eliminates the Category I and Category II distinctions and eligibility criteria at 2813.3. The department will provide up to three months of rental or mortgage arrearage assistance to eligible families. Such assistance will be available not more than once every 12 months.

This bulletin adds the following eligibility criteria:

- A family member's disability contributed to unavoidable circumstances that left insufficient funds to make rent or mortgage payments.
- The family's gross housing expenses were equal to or greater than 60 percent of its income.
- The family is likely to be eligible for General Assistance (GA) or Emergency Assistance (EA) temporary housing benefits, and arrearage payments would be more cost effective than providing temporary housing.

Specific Changes to Rules Sections

- TOC 2800-2830 Revises P.1 to reflect heading changes at 2813.31 and 2813.32.
- 2813.3 Adds introductory paragraph, including a definition of arrearage assistance. Moves third paragraph into introductory paragraph.
- 2813.31 Replaces “Eligibility for Payment of Rental or Mortgage Arrearage” subsection with “Definitions.” Adds definitions for “disability,” “gross housing expenses,” and “income.” Revises definitions of “extraordinary event” and “essential expenses” and moves them from 2813.32 to the Definitions subsection. Moves eligibility criteria to 2813.32. Removes references to Category I and Category II assistance.
- Since the proposed filing, the department has revised the definition of “essential expenses” to clarify essential expenses when the family receives food stamps or other benefits.*
- 2813.32 Replaces “Types of Assistance” subsection with “Eligibility for Payment of Rental or Mortgage Arrearage.” Removes references to Category I and Category II assistance. Moves eligibility criteria from 2813.31 to 2813.32. Adds clarification that the family must include at least one dependent child. Replaces “notarized” statement with “sworn” statement. Adds “verified documentation of delinquency that poses risk of foreclosure” to notice of termination criterion. Adds eligibility criterion that a family member’s disability contributed to unavoidable circumstances that left insufficient funds to make rent or mortgage payments. Adds eligibility criterion that family is likely to be eligible for temporary housing if not provided arrearage assistance and arrearage payment would be more cost-effective than providing temporary housing. Adds eligibility criterion that family’s gross housing expenses were equal to or greater than 60 percent of the family’s income.
- Since the proposed filing, the department has inserted “GA or EA” before “temporary housing” and replaced “assistance” with “benefits” at 2813.32 (5)(a). The department also deleted “benefits and available gross” at 2813.32 (5)(b)(iii).*

Comment Period

A public hearing was held on January 16, 2007 at 1:00 p.m., in the Agency of Human Services' Blue Room, DCF, State Office Complex, Waterbury, Vermont. The department did not receive any comments at the hearing.

The comment period on this bulletin closed at 4:30 p.m. on January 23, 2007. The Department did not receive any comments.

To get more information about the Administrative Procedures Act and the rules applicable to state rulemaking go to the website of the Office of the Vermont Secretary of State at: <http://vermont-archives.org/apa/rules.html> or call Louise Corliss at 828-2863

For information on upcoming hearings before the Legislative Committee on Administrative Rules go to the website of the Vermont Legislature at: <http://www.leg.state.vt.us/schedule/schedule2.cfm> or call 828-5760.

* * * * *

Vertical lines in the left margin indicate significant changes. Dotted lines at the left indicate changes to clarify, rearrange, correct references, etc., without changing content.

Manual Holders: Please maintain manuals assigned to you as follows.

Manual Maintenance

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2813.3

2813.3 Rental or Mortgage Arrearage

Rental or mortgage arrearage assistance is payment to landlords or mortgage holders on behalf of eligible families who are in imminent danger of losing housing due to circumstances they could not reasonably have avoided. The department shall provide up to three months of rental or mortgage arrearage assistance to eligible families. Payment of rental or mortgage arrearage shall cover actual monthly rental or mortgage obligations. Assistance under this section shall be available not more than once every 12 months.

Prior to determining the eligibility of a Reach Up family for payment of rental or mortgage arrearage, the department shall determine whether money mismanagement exists under the criteria at 2235.1 and initiate rent vendor payments where indicated. Potential eligibility for payment of rental or mortgage arrearage shall neither nullify nor affect in any other way any determination made under 2235.

Because families eligible for payment of rental or mortgage arrearage are at risk of losing their housing, the department will make a determination of eligibility for this benefit as expeditiously as possible. If necessary, the department will assist the family in obtaining documentation.

The department's payment of rental or mortgage arrearage shall not discharge the family's responsibility for any additional arrearage that may have accrued. The landlord or mortgage holder must agree, however, not to evict or foreclose or to institute a payment plan leading to eviction or foreclosure due to crediting current payments to the additional arrearage. The department's payment shall not impinge on any other legal means of collection of such debt.

Assistance under this provision is not an entitlement, and no payments will be made when the funds appropriated for this purpose have been exhausted. Denials made after these funds have been exhausted will not require prior warning of funding status or amendment to this rule.

2813.31 Definitions

For the purposes of this section:

1. "Disability" means:
 - a. based on a determination of disability, the individual is receiving Medicaid, disability insurance benefits under the Social Security Act (SSI or SSDI), or Medicare;
 - b. the individual has a physical or mental impairment that substantially limits one or more major life activities of the individual or has a signed statement from a physician or licensed practitioner confirming such an impairment; or
 - c. the individual has a physical or mental impairment that prevents the individual from working for at least 30 days as verified by a signed statement from a physician or licensed practitioner.

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2813.3 Rental or Mortgage Arrearage2813.31 Definitions (Continued)

2. "Extraordinary event" means a serious situation, occurrence, or emergency that either:
 - a. happens unexpectedly and demands immediate attention, including an unanticipated need for a work-related expense necessary to preserve employment or for housing expenses required to remove life-threatening hazards or to keep the home habitable; or
 - b. leads to additional expenses or loss of income that could not have been prevented by the family, including a death or illness of a family member.
3. "Gross housing expenses" means the family's rent or mortgage, prorated monthly homeowner's insurance, property taxes, condominium fees, and utility costs, including fuel, electricity, water, basic telephone service, and sewer, but excluding television service.
4. "Income" means income as calculated using the emergency assistance rules, including the rules relating to deductions and exemptions.
5. "Essential expenses" means rent; mortgage; prorated monthly homeowner's insurance; minimum liability insurance required by law for a vehicle necessary for family transportation; condominium fees; taxes; fuel; electricity; water; sewer; basic telephone; medical expenses not reimbursable under an assistance program, insurance plan, or by a third party; work-related child care expenses not reimbursable under an assistance program or by a third party; food in an amount equal to the Food Stamp Thrifty Food Plan for the family size; items necessary for basic hygiene; repairs necessary to restore operability to the vehicle the family uses for necessary transportation; and actual and reasonable school expenses. Reasonable school expenses do not include general purpose wearing apparel but do include wearing apparel that is not general purpose, not provided by the school, and required for a specific activity in which the family member participates. The department determines whether school expenses are reasonable. For a family receiving Food Stamp benefits, essential food expenses means the difference between the family's Food Stamp benefit and the Thrifty Food Plan for the family size. For families receiving other benefits, such as the telephone lifeline credit or fuel assistance, essential expenses means the out-of-pocket cost to the family after applying the benefit.
6. "Dependent child" means a child as defined at 2800.3 (5).

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2813.3 Rental or Mortgage Arrearage

2813.32 Eligibility for Payment of Rental or Mortgage Arrearage

A family is eligible if it meets all of the following criteria:

1. the family includes at least one dependent child;
2. the family meets all other criteria for emergency assistance, except that prior receipt of emergency assistance for another purpose shall not disqualify the family for assistance under this section;
3. the family has received a notice of rental termination for nonpayment of rent or a sworn statement of the amount of rent owed from the landlord or a mortgage demand notice from the mortgage holder or verified documentation of mortgage delinquency that poses a risk of foreclosure;
4. payment of all or a portion of the arrearage will prevent, not merely postpone, homelessness;
5. the family:
 - a. if not assisted under this section, is likely to be eligible for GA or EA temporary housing benefits and payment under this section would be more cost-effective than providing temporary housing; or
 - b. was unable to pay the rent or mortgage due to one of the following reasons:
 - i. the family experienced an extraordinary event that appropriately required the use of the funds;
 - ii. a family member's disability contributed to circumstances that could not reasonably have been avoided and left insufficient funds to pay the rent or mortgage payments;
 - iii. the family's essential expenses exceeded the family's income, after deduction of the standard work expense and allowable self-employment business expenses, or the family's gross housing expenses were equal to or greater than 60 percent of the family's income.
6. the landlord or mortgage holder agrees to terminate any action intended to evict or otherwise cause the family to relocate as a result of the payment and agrees not to reinstitute such action on the basis of obligations remaining as of the date of payment.