



*Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance*

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**Operations Memo 2013-52
October 3, 2013**

To: Department of Transitional Assistance Staff

From:  Lydia Conley, Acting Assistant Commissioner for Policy, Program and External Relations

Re: TAFDC and EAEDC – Non-Principal Real Estate

Overview

This Operations Memo describes the procedures for the completion of the *Agreement to Reimburse* (RER-1) form for certain TAFDC and EAEDC applicants and clients (hereafter referred to as clients).

Purpose of this Memo

This Operations Memo:

- gives guidance for the completion of the revised *Agreement to Reimburse* (RER-1) form.
 - reminds DTA staff about when clients must complete this form.
 - updates procedures for the processing of real estate other than the applicant's or client's principal place of residence.
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Real Estate that is not the Principal Residence of a Client

Clients must report and verify the ownership, fair market and equity value of all real estate owned by any member of their assistance unit. Real estate that is not the principal place of residence is a countable asset and the *Agreement to Reimburse* (RER-1) form **must** be completed for this real estate.

Note: Copies of all verifications as well as the completed *Agreement to Reimburse* must be filed in the case record.

**Client
Responsibilities**

When a client reports the ownership of real estate, other than their principal place of residence, the case manager must determine whether or not the client has access to the real estate.

If the client states that he or she has access to the asset, a VC-1 must be issued requesting documentation to establish ownership of the real estate, its value and the client's good faith effort to sell it. Additionally, the client is required to complete the *Agreement to Reimburse* found on Policy Online under Online Forms.

The completion of the *Agreement to Reimburse* establishes that the client will:

- make a good faith effort to sell the real estate at fair market value;
- notify the Department within ten days of the sale of the real estate;
- reimburse the Department for TAFDC or EAEDC benefits received upon the sale of said real estate; and
- if the property is not sold within six months of the signing of the *Agreement* form, that he or she will become ineligible for TAFDC and/or EAEDC and the benefits received during that period are subject to recovery.

If the client states that they do **not** have access to the real estate, a VC-1 must be issued requesting documentation to establish ownership of the property, its value and the inaccessibility reason.

Important: Case managers are reminded that there are numerous circumstances in which an asset would be inaccessible. Once the inaccessibility has been verified, the real estate will not count as an asset unless and until the real estate does become accessible.

**Case Manager
Responsibilities**

Real Estate information **must** be entered in the Real Property page. The following fields are required:

- Type (drop-down box);
- Fair market value;
- Encumbrance/Lien amount (if applicable);
- Location name;
- Address;
- Essential to Employment (radio buttons); and
- TAFDC or EAEDC (these fields are filled in by clicking Calculate).

In the Inaccessible reason drop-down box, select “Good Faith Effort.” Enter “0” (zero) in the % Accessible field for the first six months after applying for EAEDC or TAFDC. Enter “0” in the applicable program field(s) under the Countable Amounts section. If the client does not sell the real estate within six months, change the % Accessible field to 100% and change the Inaccessible Reason field to blank. The case manager must then click the Calculate button.

If the client sells the real estate within six months, he or she must inform the Department within 10 days by providing the bill of sale. The case manager **must** end the real estate from the Real Property page, and enter the amount received for the sale under the appropriate asset type on the Liquid Asset page. Both of these changes must be authorized on the Interview Wrapup page.

If as a result of the sale, a TAFDC client has more than \$2500 in countable assets, the case will close for “Assets in excess of asset limit.”

If as a result of the sale, an EAFDC client has more than \$250 in countable assets or for a filing unit of two or more, has countable assets in excess of \$500, the case will close for “Assets in excess of asset limit.”

If otherwise eligible, SNAP benefits will remain unchanged. Clients will receive a separate EBC notice if SNAP benefits are recalculated or there is a change in eligibility.

Reminder: Property that is not the principal place of residence is a countable asset for non-categorically eligible SNAP recipients.

For clients who have closed or are pending to close due to excess assets as a result of the real estate sale, case managers must make an overpayment referral to the Fraud and Overpayment Referral Screening (FORS) Unit following established procedures. Any cash benefit paid during the six months preceding the sale must be paid back to the Department. Those benefits paid will be processed as an overpayment.

**Case Manager
Actions**
(continued)

If, after the sale of the real estate, the client's combined assets are less than their program's limit, the case manager must annotate the Narrative tab indicating such. In this circumstance, an overpayment referral **must not** be made, as the client is not subject to repayment.

Note: If the client claims the real estate is Essential to Employment, he or she must provide verification. If verification is provided, the client is not required to sell the real estate.

Reminder: Case managers are reminded of their duty to assist clients in obtaining verifications and/or exploring alternate methods of verification as outlined in Operations Memo 2013-47.

**Penalties for
Noncompliance**

If the client fails to provide verification of ownership, fair market value, the value of any legally enforceable obligations, their good faith effort to sell the real estate, their inaccessibility reason or refuses to sign the *Agreement to Reimburse* within the established timeframes, the case must be closed or denied for "Fail to submit the required verifications."

If the client fails to sell the real estate at the end of six months, cash assistance must be terminated. All cash benefits paid during that six-month period is treated as an overpayment. If the client fails to sell the real estate, the Inaccessible reason of "Good Faith Effort" must be removed, the "% Accessible" field changed to 100%. The case manager must then click the Calculate button. This change must be authorized on the Interview Wrapup page.

This will result in a closing if the countable assets are over the asset limit. A referral must be made to the FORS Unit following established procedures for recoupment of those cash benefits.

If the client becomes ineligible during the six-month period for any reason(s), all TAFDC or EAEDC benefits paid during that six-month period will be treated as an overpayment. A referral must be made to the FORS Unit following established procedures for recoupment.

Note: If the client fails to report the ownership or sale of real estate, case managers must make a referral to the FORS Unit following established procedures.

Revised Form

The *Agreement to Reimburse* (RER-1) has been revised. See Attachment A.

**Policy
References**

EAEDC: 106 CMR 321.120(H) – Countable Assets
TAFDC: 106 CMR 204.120(H) – Countable Assets
EAEDC: 106 CMR 321.125 – Inaccessible Assets
TAFDC: 106 CMR 204.125 – Inaccessible Assets
EAEDC: 106 CMR 321.140(O) – Noncountable Assets
TAFDC: 106 CMR 204.140(O) – Noncountable Assets

Questions

If you have any questions, please have your Hotline designee call the Policy Hotline.

Commonwealth of Massachusetts
Department of Transitional Assistance

Agreement to Repay

APID _____

Client Name _____ Date _____

Address _____

City or town and ZIP _____

Where is the property you or a family member own, but do not live at?

Address _____

City or town, state, and ZIP _____

I agree to make a good faith effort to sell this property.

To make a good faith effort:

- List the property with a licensed real estate salesperson, or advertise the property in a newspaper, online or other appropriate media.
- Sell the property at fair market value.

When I sell this property, I will repay DTA the amount of cash assistance my family and I have received from DTA.

If the net proceeds of the sale, added to all of my other countable assets, total more than the asset limit, I must repay DTA.

The total I must repay will not be more than the net proceeds of the sale.

I understand that if this property is not sold within six months of the signing of this form, my eligibility for cash assistance will stop. All cash assistance paid will be an overpayment and subject to recovery by DTA.

I agree to tell DTA within ten days of the sale of this property.

I have read this agreement, or have had it read to me, and I understand its contents.

If you fail to sign this form, your assistance will be denied or ended.

Client Signature

Date _____

Case Manager Signature

Date _____