TO: Commissioners of Social Services

DATE: April 10, 1996

SUBJECT: Utility Arrears Repayment Agreement

SUGGESTED DISTRIBUTION:
- Income Maintenance Directors
- Food Stamp Directors
- Medical Assistance Directors
- Staff Development Coordinators
- CAP Coordinators

CONTACT PERSON: 1-800-343-8859
Temporary Assistance-Regional Team Representative
Team 1-ext.3-0332; Team 2-ext. 4-9344; Team 3-ext.4-9307; Team 4-ext. 4-3231; Team 5-ext. 3-1469; Team 6-212-383-1658

ATTACHMENTS:
- Utility Arrears Repayment Agreement (on-line)

FILING REFERENCES

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95 ADM-5 | Cancelled | 352.5 | 131-s | PASB
92 ADM-22 | | | | XIV-H-3.3-
87 INF-51 | | | | 3.9
95 INF-31 | | | | |
93 INF-11 | | | | |
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DSS-296EL (REV. 9/89)
I. PURPOSE

This directive advises social services districts (SSDs) of current policy regarding when a "Utility Arrears Repayment Agreement" is required. This directive also introduces a revised "Utility Arrears Repayment Agreement" form and ends the requirement that SSDs must send in a "Repayment of Utility Arrears Assistance Report" to this Department.

II. BACKGROUND

Chapter 41 of the Laws of 1992 made a number of changes to Social Services Law. One of these changes was a requirement that applicants sign a "Utility Arrears Repayment Agreement" under certain circumstances. 92 ADM-26 advised SSDs of this requirement. Attached to 92 ADM-26 was the "Utility Arrears Repayment Agreement" and the "Repayment of Utility Arrears Assistance Report" which SSDs were required to use. There have been several changes made to the requirements outlined in 92 ADM-26 regarding Utility Arrears Repayment Agreements. Chapter 81 of the Laws of 1995 clarifies in law that gross income must be used to determine whether or not an applicant for utility arrears must sign a Repayment Agreement. We are using this opportunity to consolidate current policy on utility arrears repayments.

III. PROGRAM IMPLICATIONS

This directive should clarify for SSDs when a "Utility Arrears Repayment Agreement" must be signed and should provide guidance in determining how this must be done.

IV. REQUIRED ACTION

An applicant for utility arrears to prevent a shut-off or to restore service is required to sign an agreement to repay the assistance within a twelve (12) month period when:

- The customer of record is not in receipt of ADC, ADC-U, PG-ADC (PGHR in NYC), Home Relief or SSI (or additional State payments); and
- The household's gross monthly income on the date of application exceeds the public assistance standard of need for that household size.

If it is determined that the household's gross monthly income does exceed the public assistance standard of need, a Repayment Agreement is required whether or not the utility arrears are paid under the Emergency Assistance to Families Program (EAF) or under emergency Home Relief.
1. Definition of Terms

   a. Household

      A household includes all persons residing in the applicant's house or apartment. It includes related and unrelated persons, such as lodgers, roomers and boarders, foster children and wards or employees who share the housing unit.

   b. Gross Income

      Gross income is all income (earned, unearned and in-kind) before any deductions are taken. This includes such income of all persons in the household as defined above.

   c. Housing Unit

      A housing unit is a house, an apartment, or other group of rooms or a single room when occupied or intended for occupancy as separate living quarters.

   d. Public Assistance Standard of Need

      The public assistance standard of need is the sum of the following items for the same household size:

      - pre-add allowance (Schedule SA-2a)
      - the home energy allowance (Schedule SA-2b)
      - the supplemental home energy allowance (Schedule SA-2c)
      - shelter allowance as paid not to exceed maximum amount in Department regulation 352.3
      - fuel allowance if the applicant is the tenant of record and customer of record for the residential heating bill (Schedules SA-6a, SA-6b or SA-6c)
      - if applicable, the additional cost of meals for persons unable to prepare meals at home (Schedule SA-5)

2. Repayment Agreement Policy

   An applicant for ADC, ADC-U, PG-ADC, HR, EAF or emergency HR is eligible to receive a payment for utility arrears if such payment is essential to continue or restore utility service. Payment can only be made when it is documented that the applicant is the customer of record and alternative payment or housing accommodations cannot be made and the applicant is without liquid resources to continue or restore utility service. Payment must not exceed the cost of utilities provided to the applicant during the four most recently completed monthly billing periods or two most recently completed bi-monthly billing periods for which a bill has been issued immediately preceding the date of application for assistance. Payment is limited to the applicant’s proportionate share of the utility bill when the bill includes service for a space outside that unit. Payment cannot exceed the balance due on the account.
As a condition of receiving such assistance, an applicant, whose gross household income exceeds the public assistance standard of need for the same size household and who is not in receipt of recurring ADC, ADC-U, PG-ADC, HR or SSI (or additional State payments), must sign a Repayment Agreement to repay the assistance within one year.

Recipients of recurring ADC, ADC-U, PG-ADC, HR or SSI (or additional State payments) are not required to sign a Repayment Agreement for utility payment assistance.

3. Completion of Utility Arrears Repayment Agreement form

The language set forth in Attachment "Utility Arrears Repayment Agreement" must be reproduced locally, without change.

In order to determine if an applicant for utility arrears is required to sign the Repayment Agreement, SSDs must complete the entire Section 1 of the "Utility Arrears Repayment Agreement" unless the tenant and customer of record is in receipt of ADC, ADC-U, PG-ADC, Home Relief or SSI (or additional State payments).

Section 2 must be completed for applicants where "yes" is checked in 1.F. of the "Utility Arrears Repayment Agreement".

A copy of the "Utility Arrears Repayment Agreement" must be retained in the case file. Applicants who are required to sign the Repayment Agreement must receive a copy of the completed form.

Only the applicant and his/her legal spouse can be required to sign the Repayment Agreement.

4. Repayment Requirements

Schedule of Repayments

A schedule of payments must be established which will ensure repayment of the utility arrears assistance within twelve (12) months of the date of the utility arrears assistance.

In completing Section 2 of the Repayment Agreement, SSDs must clearly specify the dates for repayment. A specific date must be established for receipt of the first payment. The SSD must also provide the address to which the payments must be made.

Suspension of Repayment Agreement

When an applicant who has signed a "Utility Arrears Repayment Agreement" becomes eligible for recurring ADC, ADC-U, PG-ADC or Home Relief, any unpaid balance on the arrears payment is suspended until such person is no longer receiving recurring ADC, ADC-U, PG-ADC or Home Relief. At that time, the unpaid balance will again become due to the SSD under the terms of the agreement.
Enforcement of Utility Arrears Repayment Agreements

SSDs must establish procedures to monitor, enforce and collect payments on the Repayment Agreements.

SSDs must enforce Repayment Agreements by any method available to a creditor, including but not limited to referring the matter to a collection agency, garnishment of wages of those who signed the Repayment Agreement if appropriate, obtaining a judgement from a court, obtaining liens on property, or use of State Tax Refund Offset Program in addition to any other rights the SSD has pursuant to the Social Services Law.

Liens

SSDs may also require that recipients of EAF or emergency Home Relief for utility arrears sign a lien on real property. The portion of the lien that represents the amount of the utility arrears assistance which has already been satisfied by payments under the Repayment Agreement must be deducted from the amount of the lien.

Failure to Cooperate

Applicants who are required to sign a Repayment Agreement but who refuse to do so are ineligible to receive utility arrears assistance. In addition, households who fail to cooperate in providing information necessary to determine if repayment is necessary are ineligible for utility arrears assistance.

Provision of Subsequent Utility Arrears Assistance

Subsequent assistance to restore or continue utility service may be authorized under EAF or emergency Home Relief only if the applicant has met or is meeting any prior repayment obligations of such utility arrears assistance. An applicant is considered to be meeting his/her obligations if the prior utility arrears assistance has been fully repaid or the applicant is making payments in accordance with all prior Repayment Agreements as of the date of application for such subsequent assistance.

Each time that the applicant applies for utility arrears assistance under EAF or emergency Home Relief, the SSD must determine if the applicant is required to sign a Repayment Agreement. A new Repayment Agreement must be signed, if applicable.

Failure to Comply with the Repayment Agreement

Applicants who have received utility arrears assistance with the condition that such assistance must be repaid are ineligible to receive subsequent utility arrears assistance if they fail to
rely or have failed to make payments in accordance with the schedule(s) set forth in the Repayment Agreement(s) —as of the date of application for such subsequent assistance. The only exceptions are:

- the applicant is receiving ADC, ADC-U, PG-ADC, Home Relief or SSI (or additional State payments) on the date of such request for subsequent utility arrears assistance; or
- the applicant's gross monthly household income is below the public assistance standard of need as outlined in Section IV.1.b. on the date of application for subsequent utility arrears assistance.

5. Home Energy Assistance Program (HEAP)

Whenever a household is in need of assistance to continue or restore utility service, the SSD must first explore the availability of HEAP as an alternative payment. Payments authorized under HEAP are not subject to the repayment provisions outlined in this directive.

6. Reporting Requirements

The "Repayment of Utility Arrearage Assistance Report", Attachment F to 92 ADM-26, is no longer required to be sent to this Department. However SSDs must establish internal controls to ensure that if there is an outstanding balance on a prior "Utility Arrears Repayment Agreement", subsequent utility arrears assistance is not provided unless the terms of the prior Repayment Agreement(s) are being met or the household's gross monthly income is below the applicable public assistance standard of need.

V. SYSTEMS IMPLICATIONS

None.

V. EFFECTIVE DATE

April 15, 1996.

___________________________________
Patricia A. Stevens
Deputy Commissioner
Division of Temporary Assistance
1. APPLICANT INFORMATION

A. Name: ____________________________________________________________

Address: __________________________________________________________

____________________________________________________________________

____________________________________________________________________

Case Number: ______________________________________________________

Category of Assistance Authorized: ____________________________________

B. Is applicant the customer of record?

[ ] Yes. Proceed.

[ ] No. The customer of record must come in to apply.

C. Household size: __________________________________________________
   (Include all persons residing in the applicant’s house or apartment and their
   social security numbers)

D. Is the customer of record in receipt of PA or SSI (or additional State payments) of application?

[ ] Yes, Repayment Agreement not required (regardless of category of assistance under which the arrears are paid).

[ ] No, proceed to E.

E. Household’s Gross Monthly Income on the date of application: $__________
   (Include all earned and unearned income for all persons residing in the house
   For employed persons, include the name, address and telephone number of the employer(s).
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

F. PA standard of need for the household size in 1.B. $____________________
   This is the sum of the following 6 items:
   1. pre-add allowance (Schedule SA-2a) _______________________________
   2. the home energy allowance (Schedule SA-2b)_______________________
G. Is E (gross monthly income) greater than F (PA monthly standard of need)?

[ ] No, Repayment Agreement not required.
[ ] Yes, Repayment Agreement is required; proceed to Part 2.

2. REPAYMENT AGREEMENT

I understand that as a condition of eligibility for receiving this assistance, I agree to repay to the ___________________________ Department of Social Services the following amount:

$_____________________ utility arrears assistance to restore service or to prevent termination.

I agree to repay this amount within twelve (12) months. I will repay the assistance in installments of $________________ per _____________ (month, bi-weekly, etc.).

Each installment must be received by the ___________________________ Department of Social Services or before the ________________________ of each ________________. The first installment is due on or before ________________________________ (enter date).

The payments must be sent to:

___________________________________________________________________________________________________
___________________________________________________________________________________________________
___________________________________________________________________________________________________

I understand that I will not be eligible for subsequent utility arrears assistance to restore service or prevent termination unless I have fully repaid any prior utility arrears assistance in accordance with the terms of any Repayment Agreement. If my household's income is below the public assistance standard of need for my household size as of the date of application for such subsequent assistance, I also understand that if I am repaying this assistance in accordance with the terms of any Repayment Agreement(s), the Department of Social Services may refer the matter to a collection agency, obtain a judgement from a court, or obtain a lien on real property or garnish wages in appropriate cases.

I understand that the ___________________________ Department of Social Services also has the right to require that I sign a lien on my real property for receiving a utility arrears payment authorized under emergency Home Relief or Emergency Assistance to Families (EAF). If a lien is taken, that portion which represents this arrears payment will be considered satisfied when the arrears payment has been repaid in full.

If I later become eligible for recurring public assistance, any unpaid balance of this arrears payment will be suspended until I am no longer receiving recurring public assistance. At that time, the unpaid balance will become due to the Department of Social Services under the terms of this agreement.

I understand that by signing this form, I agree to all of the above conditions.

Signature of Applicant(s)                             Date
______________________________________________       _________________
______________________________________________       _________________