

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Claimant

Reg. No: 2009-24313
Issue No: 5025
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
September 15, 2009
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on September 15, 2009. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly process the claimant's application for State Emergency Relief (SER) in April, 2009?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On April 16, 2009, the claimant submitted an application for SER services for back property taxes. (Department Exhibit 1).
2. On April 17, 2009, the department worker called the Genesee County Treasurer's Department and was informed that the claimant had applied for and received a "hardship

extension” and that the total amount due to resolve the emergency (2006 and 2007) was \$1967.79. (Department Exhibit 2, 4).

3. The claimant had used \$1147.08 of his lifetime \$2000 limit toward property taxes, so he was only eligible to receive \$825.92. (Department Exhibit 3).

4. On April 17, 2009, the claimant was approved for DHS to pay \$825.92, if he paid \$1141.87. (Department Exhibit 5, 6).

5. The claimant was mailed a letter from the department on April 17, 2009. This letter informed the claimant that the current amount due to the county to remove the foreclosure status was \$1967.79 and that the claimant only had a remaining \$825.92 of DHS funds to use toward his lifetime cap. The claimant was informed that DHS would pay the \$825.92 toward his tax bill if he paid the remainder and provided documentation to DHS. (Department Exhibit 8)

6. The department worker again called the Genesee County Treasurer’s Office on April 22, 2009. The employee stated that a payment of \$825.92 would not resolve the emergency and that the entire amount of \$1967.79 would have to be paid to bring the property out of foreclosure status. (Department Exhibit 9).

7. The claimant submitted a hearing request on April 16, 2009.

CONCLUSIONS OF LAW

The State Emergency Relief (SER) program is established by 2004 PA 344. The SER program is administered pursuant to MCL 400.10, *et seq.*, and by final administrative rules filed with the Secretary of State on October 28, 1993. MAC R 400.7001-400.7049. Department of Human Services (DHS or department) policies are found in the State Emergency Relief Manual (SER).

Department policy states:

DEPARTMENT POLICY

State Emergency Relief (SER) prevents serious harm to individuals and families. SER assists applicants with safe, decent, affordable housing and other essential needs when an emergency situation arises. ERM, Item 101, p. 1.

Requirements

Residence in the State of Michigan is not required. SER serves all persons physically present in Michigan. In addition, SER applicants must:

- . Complete the application process
- . Meet financial and non-financial requirements
- . Have an emergency which threatens health or safety and can be resolved through issuance of SER
- . Take action within their ability to help themselves, i.e., obtain potential resources and/or apply for assistance
- . Not have caused the emergency (ERM, 204, Client-Caused Emergency)
- . Cooperate in providing information about income, assets, living arrangements, and other persons living in the home

Deny SER services for applicants who fail to meet any of the above requirements. ERM, Item 101, p. 1.

Approval

Certain conditions must be met before SER can be issued to help individuals and families whose health and safety are threatened:

- . Prior written or oral approval must be given by an authorized department staff person before SER issuance. Do not issue SER to reimburse expenses incurred or paid without prior department approval.
- . The SER payment must resolve the emergency.
- . The group must meet all applicable policy requirements for the SER service. ERM, Item 103, p. 2.

DHS-1419, Decision Notice

Inform all SER applicants in writing of the decision made on their application. Mail or give the DHS-1419, Decision Notice, to the applicant.

If the SER group meets all eligibility criteria but has an income or asset co-payment or shortfall or contribution, SER eligibility may be approved on SIMS, but do not issue payment until the client provides proof that the shortfall or contribution, and/or co-payment has been made.

Verification of payment must be made within the 30-day authorization period or no SER payment will be made and the client will have to reapply.

If the co-payment, shortfall, contribution or combination exceeds the need, the application can be denied. ERM, Item 103, p. 3.

Covered Services

The following services are covered by this item:

1. Home ownership services
 - . House payments (mortgage or land contract payments), including principal, interest, legal fees and escrow for taxes and insurance
 - . Property taxes and fees
 - . Mobile home lot rent for owners or purchasers of mobile homes
 - . Insurance coverage required by a mortgage or land contract
2. Energy-related home repairs
3. Non-energy-related home repairs. ERM, Item 304, p. 1.

Home Ownership Services

The lifetime Home Ownership Services maximum is \$2,000. The lifetime maximum is the combined cumulative total of all home

ownership service payments. Individual services (house payments, property taxes, etc.) do not have individual lifetime maximums. CIMS maintains a record of the lifetime home ownership services payments since 12/01/91. Check CIMS for the balance available of home ownership services using the IEMR(S) transaction before authorizing payment.

Mortgage payments, land contract payments and property tax payments authorized between 10/01/94 and 09/30/97 required placing a lien on the homestead. Liens filed during this period are still valid and must be repaid. See ERM 403, Lien on Real Property, for discharge procedures.

Note: An adjustment to the home ownership lifetime limit exists when a lien is paid in full and discharged. Central Office will notify workers when a lien is discharged by the county Register of Deeds office. See ERM 403, Lien on Real Property, for discharge procedures. ERM, Item 304, p. 1.

In addition, **all** of the following conditions must be met (unless specified for a particular service):

- . An SER group member is an owner or purchaser of the home, or holds a life estate or life lease on the home with the responsibility for home repairs.
- . The home is the SER group's permanent, usual residence.
- . The home is not listed for sale.
- . The home is not in jeopardy of loss. Deny repairs if there is a house payment or property tax arrearage, unless a workable plan exists for paying the arrearage. (This only applies to home repairs.)
- . The ongoing cost of maintaining the home is affordable to the SER group. See ERM 207, Housing Affordability.
- . The SER group did not cause the emergency. Do not authorize Home Ownership Services if the emergency was client-caused. See ERM 204, Client Caused Emergencies. (Property tax requests are exempt from the client-caused provision in ERM 204.)
- . The home is in livable condition and payment will guarantee safe, sanitary shelter both now and in the future.

Do not approve any Home Ownership Services payments for homes that cannot be brought to a livable condition within the remaining SER Home Repair limit.

- . The total amount of taxes past due for all years does not exceed \$2,000. Pay only the minimum amount required to resolve the tax emergency. Do not pay until loss of the home is imminent. See Verification below. (This only applies to Home Ownership for Taxes.)
- . The amount to be authorized does not exceed the Home Owner Services maximum of \$2,000, the Energy-Related Home Repair maximum of \$1,500 or the Non-Energy-Related Home Repair maximum of \$1,500, and the issuance amount will resolve the emergency. ERM, Item 304, pp. 2-3.

In this case, the claimant is contesting the department's determination of two of his SER applications. There was a previous SER application that the claimant submitted to the department for back property taxes in February, 2009. This SER application was denied because the total amount of arrearages was \$3128.41 (See Department Exhibit 10), which was over the allowable \$2000. ERM 304. Thus, the department properly denied this SER application.

The claimant then submitted the April 16, 2009, SER application. At this time, the amount owing was now \$1967.79. This was now under the \$2000 limit for property taxes. ERM 304. However, department policy only allows a lifetime limit of \$2000 to be paid toward home ownership services. ERM 304. In this case, the claimant had already used \$1174.08 toward property taxes. This left him with a maximum allowable DHS payment of \$825.92.

The department mailed the claimant a Decision Notice (DHS-1419) on April 17, 2009, informing the claimant that the maximum DHS could pay toward the property taxes would be \$825.92 and that the payment could only be authorized if the claimant paid the rest of the back taxes to resolve the emergency. The total amount due to avoid foreclosure status was now \$1967.79, which would require the claimant to pay \$1141.87 before DHS could authorize

payment of \$825.92. The claimant did not provide the department with any evidence that he had made the required payment, so DHS could not authorize their portion of the payment.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly processed the claimant's SER application in April, 2009.

Accordingly, the department's actions are UPHELD. SO ORDERED.

/s/ _____
Suzanne L. Keegstra
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: February 1, 2010

Date Mailed: February 3, 2010

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

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