

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 201052699
Issue No: 5017
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
October 20, 2010
Cass County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 hearing was held on October 20, 2010. Claimant appeared and testified.

ISSUE

Did the Department of Human Services properly deny Claimant's application for State Emergency Relief (SER) Non-Energy-Related Home Repairs?

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 August 10, 2010 Claimant submitted an application for State Emergency Relief (SER) services for a new well because the one at his home had dried up.
- (2) On August 13, 2010 Claimant was sent a State Emergency Relief Notice (DHS-1419) which stated his application was denied because his shelter was not affordable.
- (3) On August 20, 2010 Claimant submitted a request for hearing.

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 provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

ERM 304 HOME OWNERSHIP

DEPARTMENT POLICY

SER helps to prevent loss of a home if no other resources are available and the home will be available to provide safe shelter for the SER group in the foreseeable future. SER also assists with home repairs to correct unsafe conditions and restore essential services.

Covered Services The following services are covered by this item:

1. Home ownership services.
 - House payments (mortgage, land contract payment or mobile home sales contract), including principal and interest, legal fees and escrow accounts for taxes and insurance.
 - Property taxes and fees.
 - Mobile home lot rent for owners or purchasers of mobile homes.
 - House insurance premiums that are required pursuant to the terms of a mortgage or land contract.
2. Energy-related home repairs
3. Non-energy-related home repairs

Non-Energy-Related Home Repairs

Non-energy-related repairs include all home repairs for client-owned housing except furnace repair or replacement. Examples include:

- Repairs to the basic structure
- Hot water heater
- Septic/waste disposal system
- Doors/windows
- Extermination services
- Electrical
- Plumbing
- Roofs
- Wells/water supply system
- Wheelchair ramps

Authorization for payment is only made if the repair(s) is essential to remove a direct threat to health or safety or is required by law or a mobile home park regulation. The repair(s) must restore the home to a safe, livable condition.

SER does not pay for improvements or nonessential repairs.

The lifetime maximum for non-energy-related home repairs is \$1,500 per SER group. All non-energy-related repairs approved since 12/1/1991 count toward this maximum. Bridges has a record of all nonenergy home repairs since 12/1/1991. View *Benefit Issuance/SER Adjustments/View SER Cap* to verify the cumulative total of energy related home repairs.

Non-energy home repairs authorized between 10/1/1995 and 09/30/1997 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.

Do not merge or interchange the energy-related and non-energy related home repair maximums. The lifetime maximum remains with each individual even if case numbers change.

Eligibility Requirements

Issue Home Ownership Services payments only to save a home threatened with loss due to mortgage foreclosure, land contract forfeiture, tax foreclosure, or court ordered eviction

of a mobile home from land or a mobile home park. Issue home repair payments only if the repair(s) is essential to remove a direct threat to health or safety or is required by law or a mobile home park regulation. The repair(s) must restore the home to a safe, livable condition.

SER does not pay for improvements or nonessential repairs.

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 on the home with the responsibility for home repairs. If the home is co-owned, the cost of the emergency is not split between the co-owners or co-purchasers.
 - 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. (This only applies to home repairs.) Deny repairs if there is a house payment or property tax arrearage, unless a workable plan exists for paying the arrearage.
 - The ongoing cost of maintaining the home is affordable to the SER group; see [ERM 207](#), Housing Affordability.
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- 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 and home repair requests are exempt from the client-caused provision in Item 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 are not in a livable condition or cannot be brought to a livable condition within the remaining SER home repair limit.
 - The total amount of tax arrearage for all years does not exceed \$2,000. (This only applies to home ownership for taxes.) Pay only the minimum amount required to resolve

the tax emergency. Do not pay until loss of the home is imminent; see [Verification](#) below.

- The amount to be authorized does not exceed the home ownership services maximum of \$2,000, the energy-related home repair maximum of \$4,000 or the non-energy-related home repair maximum of \$1,500, and the issuance amount will resolve the emergency.

ERM 207 HOUSING AFFORDABILITY

DEPARTMENT POLICY

Housing affordability is a condition of eligibility for State Emergency Relief (SER) and applies only to Relocation Services ([ERM 303](#)) and Home Ownership Services and Home Repairs ([ERM 304](#)). Housing affordability does not apply to other SER services.

Requirements

In this item, “total housing obligation” means the total amount the SER group must pay for rent, house payment, mobile home lot rent, property taxes and required insurance premiums. Renters can have a higher “total housing obligation” if heat, electricity and/or water/cooking gas are included.

Authorize SER for services only if the SER group has sufficient income to meet ongoing housing expenses. An SER group that cannot afford to pay their ongoing housing costs plus any utility obligations will not be able to retain their housing, even if SER is authorized.

Deny SER if the group does not have sufficient income to meet their total housing obligation. The total housing obligation cannot exceed 75% of the group's total net countable income.

Affordability Calculation

Determine whether an SER group meets the Housing Affordability requirement:

- Multiply the group's total net countable income by 75%. The result is the maximum “total housing obligation” the group can have, based on their income, and be eligible for SER housing services, and
- Refer to the table at the end of this item for any increases in the basic 75% test if the group is renting and heat, electric or water/cooking gas is included in the rent. Multiply the resulting percentage by the group's total net countable income. The result is the absolute “total housing obligation” the group can have and be eligible for SER housing services.
- Document affordability on the SER budget.

In this case the application indicates that Claimant’s spouse is the only source of earned income in the household and there are no sources of unearned income. Claimant submitted paycheck stubs from his spouse’s employment for two consecutive biweekly pay periods along with verifications of mortgage and other housing expenses. During the hearing Claimant stated that he does not dispute the math the Department used in the determination but asserts he is not at risk of losing his home. Since there is no allegation that the Department acted outside their policy, the Department will be upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly denied Claimant’s application for State Emergency Relief (SER) Non-Energy-Related Home Repairs.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHELD.

/s/ _____
Gary F. Heisler
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: October 28, 2010

Date Mailed: October 29, 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.

GFH/vc

cc:

