

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2010-53760
Issue No: 1000
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: December 2, 2010
Wayne County DHS (31)

ADMINISTRATIVE LAW JUDGE: Michael J. Bennane

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on December 2, 2010. The claimant appeared and testified.

ISSUE

Did the Department properly process the claimant's rent payments to a vendor and her Family Independent Program (FIP) payments?

FINDINGS OF FACT

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

1. Claimant's rent was being vendored on a rental home at [REDACTED], [REDACTED].
2. In May, 2010, the claimant was notified that her rental home was in foreclosure and she was forced to move in with relatives.
3. The claimant states that she notified the department of the foreclosure and the fact that she was no longer living at the previous address.
4. The department continued to send vendor payments to the claimant's old landlord.
5. On August 20, 2010, the claimant filed a request for a hearing to recoup funds subtracted from FIP payments on the [REDACTED] address.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (formerly known as the Family Independence Agency) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

In the instant case, the claimant's rent was being sent to the claimant's landlord at [REDACTED]

Individual Vendor Warrants

The Department of Treasury issues individual vendor warrants for each client with vendoring. The vendored amount is withheld from the client's regular semimonthly warrant and usually sent to the provider within four days after the regular warrant. Each vendor warrant includes half of the client's monthly vendor payment. (BAM 425, p.5).

Other changes must be reported within 10 days after the client is aware of them. These include, but are **not** limited to, changes in:

- Persons in the home.
- Marital status.
- Address and shelter cost changes that result from the move.
- Vehicles.
- Assets.
- Child support expenses paid.
- Health or hospital coverage and premiums.
- Child care needs or providers. (BAM 105, pp. 7-8)

In the instant case, the claimant testified that she was living at [REDACTED] in [REDACTED] but in May was notified by the city that the home she was living in, and the department was paying rent for through a vendor payment, had been foreclosed upon in May of 2010. The claimant further testified that she was aware of her duty to notify the department of such changes but the claimant stated that she "knew she had to notify them in 30 to 60 days". This, of course, would not be in accord with the above policy.

The claimant's FIP grant was reduced by the amount of the vendored rent. The claimant wishes to receive the proper amount of FIP for the months of May through August, 2010.

The law provides that disposition may be made of a contested case by stipulation or agreed settlement. MCL 24. 278(2). In the instant case, the parties reached an accord. The department agreed to attempt to recover SER funds erroneously paid for the foreclosed home. In the event that the department's recoupment effort is successful it will reimburse the claimant for the rent payments erroneously collected.

The rent payments being reimbursed to the claimant are contingent on the department's successful recoupment of the erroneously paid rent. Based on this agreement the claimant accepts the agreed upon settlement as stated below.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the department and claimant have come to an agreement and ORDERS the department to attempt to recover rent payments erroneously paid for the foreclosed upon home. In the event the department is successful in its recoupment effort it shall reimburse the claimant for the erroneously paid rent.



Michael J. Bennane
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: 12/28/2010

Date Mailed: 12/28/2010

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.

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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.

MJB/jlg

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