



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: June 20, 2016  
MAHS Docket No.: 16-005006  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

### **HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on May 23, 2016, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Hearing Facilitator.

### **ISSUE**

Did the Department properly deny Petitioner's March 21, 2016 and March 29, 2016 application for SER benefits?

### **FINDINGS OF FACT**

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

1. On [REDACTED], Petitioner applied for SER benefits to help with rent assistance.
2. On [REDACTED], the Department sent a State Emergency Relief Decision Notice which notified Petitioner that her [REDACTED] SER application had been denied.
3. On [REDACTED], Petitioner submitted a second application for SER benefits to help with rent assistance.

4. On [REDACTED], the Department sent a State Emergency Relief Decision Notice which notified Petitioner that her [REDACTED] SER application had been denied.
5. On April [REDACTED], Petitioner filed a Request for Hearing disputing the Department's actions.

### CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

In this case, Petitioner submitted two applications. The first application was submitted on [REDACTED]. The second application was submitted on [REDACTED]. Petitioner submitted the following conflicting information:

Date	Household income	Amount paid on Shelter
September 2015	\$1,200.00	\$600.00
October 2015	\$1,200.00	\$600.00
November 2015	\$1,200.00	\$600.00
December 2015	\$1,200.00	\$600.00
January 2016	\$1,200.00	\$600.00
February 2016	\$1,200.00	\$600.00

Date	Household income	Amount paid on Shelter
September 2015	\$700.00	\$600.00
October 2015	\$700.00	\$600.00
November 2015	\$700.00	\$600.00
December 2015	\$700.00	\$600.00
January 2016	\$700.00	\$600.00
February 2016	\$1,200.00	\$600.00

In the [REDACTED] application, Petitioner indicated that \$1,502.00 was the amount needed to prevent eviction. In the [REDACTED] application, Petitioner indicated that \$2,127.00 was the amount needed to prevent eviction.

**Eligibility relating to [REDACTED] application**

On [REDACTED], the Department sent Petitioner a State Emergency Relief Decision Notice which notified Petitioner that her application had been denied because her shortfall amount was equal to or greater than the amount needed to resolve the emergency. It should be noted that in the [REDACTED] Denial Notice, the Department noted that the rent to prevent eviction amount was \$2,217.00 instead of \$1,502.00.

In processing an application for SER assistance with rent arrearage, the Department must verify a client's shelter expenses for the six months preceding the client's application. ERM 303 (October 2015), p. 4. If the client has not made required payments, which are actual shelter costs, **and** has no good cause for the nonpayment, the client must pay the shortfall. ERM 303, p. 4; ERM 204 (August 2014), p. 1; ERM 208 (October 2015), p. 4. Good cause for a failure to prevent a housing emergency exists if either of the following conditions are met: (i) the SER group's net countable income from all sources during each month the group failed to pay its obligations was less than the amount shown for the SER group size in the good cause table in ERM 204 (which was \$225 for Claimant's SER group of one), provided that the income was not reduced because of a disqualification of SSI or Department benefits for failure to comply with a program requirement; or (ii) the emergency resulted from unexpected expenses related to maintaining or securing employment, which expenses equal or exceed the monthly obligation. ERM 204, pp 1-2.

In the case of the [REDACTED] application, Petitioner reported that her rent amount is \$600.00 and for each of the preceding six months, she paid \$600.00 towards her rent. This could not be true if the amount needed to avoid eviction was \$1502.00.

Additionally, A SER group seeking assistance with non-energy SER services (which includes assistance with rent arrearage payment) must pay an income copayment if the group has **net** income that exceeds the SER income needs standard for non-energy services. ERM 208, p. 1; ERM 303. The amount of the income copayment is the difference between the group's total combined net monthly income and the SER income needs standard. For Claimant's group size of four, the SER income needs standard is \$755.00. ERM 208, p. 5.

Petitioner's self-attested income was \$1200.00 per month. The difference between \$1,200.00 and \$755.00 is \$445.00. To determine Petitioner's copayment amount, \$445 must be multiplied by six; for a total of \$2,670.00. Because Petitioner's copayment amount of \$2,670.00 was higher than the \$1,502.00 needed to prevent eviction, the Department properly denied Petitioner's request for SER benefits. It should be noted that even if the amount needed for eviction was \$2,127.00 as indicated in the [REDACTED], [REDACTED] SER Denial Notice, the copayment would have remained higher than the amount needed to prevent eviction and thus would have also been properly denied.

**Eligibility relating to [REDACTED] application**

Housing affordability is a condition of eligibility for SER benefits for home ownership services. ERM 304, p. 4; ERM 207 (October 2015), p. 1. Exceptions to the affordability requirement are available only to clients who have vouchers from the Homeless Assistance Recovery Program (HARP), Transitional Supportive Housing Leasing Assistance Program (TSHLAP), Transition In Place Leasing Assistance Program (TIPLAP), Rapid Re-Housing Leasing Assistance, or Temporary Basic Rental Assistance (TBRA) funded by MSHDA. ERM 207, pp. 1-2. Because there was no evidence presented that Claimant had one of these vouchers, Claimant's SER application was subject to meeting the housing affordability requirement.

Housing is affordable if the SER group's total housing obligation does not exceed 75% of the group's total net countable income. ERM 207, p. 1. "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. ERM 207, p. 1.

In this case, Petitioner testified that at the time of application, her niece was the only person working in the home. Petitioner reported that she received \$300.00 in income from her father. Based on the paystub provided by Petitioner, the Department budgeted the household net income as \$239.07. The Department conceded that in the [REDACTED], [REDACTED] application, Petitioner reported that she received \$300.00 in income each month from her father. The Department acknowledged that it did not include the \$300.00 in unearned income when determining Petitioner's eligibility.

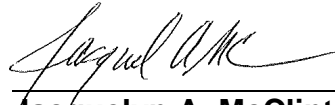
The rent expense in this case was \$600.00 monthly. The net earned income added with the unearned income provided a total household income of \$539.07 (which includes the \$300.00 not previously calculated by the Department). Given that Petitioner's total household income is less than the housing obligation, the Department properly denied the [REDACTED] SER application.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it denied Petitioner's [REDACTED] and [REDACTED] SER applications.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

JM/hw



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**Jacquelyn A. McClinton**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS**

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]