



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

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Date Mailed: January 27, 2021  
MOAHR Docket No.: 20-006629  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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; 42 CFR 438.400 to 438.424; 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 January 13, 2021, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Robert Mapp, Assistance Payments Worker.

### **ISSUE**

Did the Department properly deny Petitioner's requests for State Emergency Relief (SER) assistance?

### **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 or around ██████████, 2020, Petitioner submitted an application for SER assistance with property taxes.
2. It was unclear which tax year Petitioner sought assistance with and for which tax year the Department processed the application.
3. On April 3, 2020, the Department sent Petitioner a SER Decision Notice informing her that the Department would pay \$██████████ towards her total \$987.26 request for assistance provided that Petitioner show verification that she made her \$770.33 copayment by April 24, 2020. (Exhibit A, pp. 15-17)
4. There was no evidence that Petitioner made a copayment towards her request for SER assistance in connection with the ██████████, 2020 application.

5. The Department did not make any payments towards Petitioner's request for SER assistance because it later discovered that Petitioner did not have a pending foreclosure and because the amounts identified on the SER Decision Notice were incorrect. Thus, the Department asserted that the April 3, 2020 SER Decision Notice was issued in error, as Petitioner was not eligible for assistance.
6. On April 15, 2020, Petitioner requested a hearing disputing the Department's actions with respect to her [REDACTED], 2020 SER application. This request was not forwarded to the Michigan Office of Administrative Hearings and Rules (MOAHR) as required.
7. On or around [REDACTED], 2020, Petitioner submitted a second application for SER assistance with property taxes.
8. On September 9, 2020, the Department sent Petitioner a SER Decision Notice informing her that the Department would pay \$[REDACTED] towards her total \$1,881.28 request for assistance provided that Petitioner show verification that she made her \$1,664.35 copayment by September 29, 2020. (Exhibit A, pp. 12-14)
9. The Department processed Petitioner's SER application for the 2019 tax year, as based on information obtained from the [REDACTED], Petitioner's delinquent taxes for 2019 were \$1,881.28. (Exhibit B, p. 3)
10. On or around September 18, 2020, Petitioner submitted verification that she made \$1,664.35 payment towards her property taxes. Petitioner asserted that she made a payment towards the incorrect tax year however, as it should have been processed for 2017, rather than 2019.
11. On or around September 25, 2020, the Department obtained information through a collateral contact with authorities at the [REDACTED] indicating that Petitioner's property is in danger of foreclosure on April 1, 2021 if she does not pay her delinquent balance of \$334.24 by April 1, 2021. The contact also indicates that Petitioner has the option to call and make arrangements to stop the foreclosure. (Exhibit B)
12. On or around October 5, 2020, the Department made another collateral contact with the [REDACTED] who informed the Department that Petitioner's property taxes were delinquent for the 2017 tax year on August 31, 2020 for the amount of \$1,019.15 and that there would have been a foreclosure on her property, however, all foreclosures have been halted due to the COVID-19 pandemic. (Exhibit A, p.11)
13. The Department asserted that Petitioner's [REDACTED], 2020 request for SER assistance with property taxes was again approved in error, as she did not have a pending foreclosure and thus, was ineligible for SER. The Department did not make any payment towards Petitioner's SER request.

14. On October 9, 2020, Petitioner requested a hearing disputing the Department's actions with respect to her [REDACTED], 2020 SER application. The April 15, 2020 and October 9, 2020 requests for hearing were consolidated.

### 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 disputed the Department's actions with respect to her [REDACTED], 2020 and [REDACTED], 2020 applications for SER assistance with property taxes.

SER helps to prevent loss of a home if no other resources are available and the home will be available to provide a safe shelter for the SER group in the foreseeable future. ERM 304 (October 2018), p. 1. Property taxes and fees are considered covered home ownership services for SER purposes and payments are only issued to save a home threatened with loss due to tax foreclosure or sale. ERM 304, pp. 1-2. The lifetime home ownership services maximum is \$2,000. Eligibility requires that the total amount of tax arrearage for **all** years does not exceed \$2,000 and that the Department will only pay the minimum amount required to resolve the tax emergency and will not pay until loss of the home is imminent. ERM 304, pp. 3-5.

Verification of a property tax sale requires a statement from taxing authority verifying total tax arrearage **and** a notice scheduling a judicial foreclosure hearing, which occurs one year after forfeiture—generally in February. ERM 304, pp. 6-7. ERM 304 further notes that, first, taxes become delinquent. Then, a year later, forfeiture occurs, and interest and fees increase. One year later, a circuit court hearing is held, and foreclosure occurs. Payment of property taxes may be made once the client provides a notice scheduling the judicial foreclosure hearing. ERM 304, pp. 6-7. It is not necessary to wait until the judgment has been entered. Once a judgment has been entered, the client must make payment within 21 days of entry of the foreclosure judgment but no later than March 31. Once the March 31 date has passed, ownership is transferred to the county and there is no redemption possible. The Department is to process the application within the standard of promptness or by the date necessary to prevent the loss of the property, whichever is sooner. ERM 304, pp. 6-7.

At the hearing, the Department testified that Petitioner's [REDACTED], 2020 and [REDACTED], 2020 SER applications were initially approved. However, it was later discovered that


this approval was in error, as Petitioner's home was not subject to imminent loss or foreclosure. The Department presented documentation of collateral contacts made with representatives from the [REDACTED] verifying that although Petitioner's property taxes for 2017 were in delinquent status, all tax foreclosures in [REDACTED] were suspended due to the COVID-19 pandemic. Additionally, Petitioner was given an opportunity to make payment arrangements towards her delinquent property taxes in 2021 in order to prevent foreclosure. While Petitioner asserted that she made a \$1,664.35 payment towards her property taxes in response to the September 9, 2020 SER Decision Notice, Petitioner did not present any evidence that a judicial foreclosure hearing had been scheduled or that her home was in imminent risk of loss.

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 did not make any payments towards Petitioner's request for SER assistance with property taxes.

**DECISION AND ORDER**

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

ZB/jem

  
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**Zainab A. Baydoun**  
Administrative Law Judge  
for Elizabeth Hertel, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

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

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

**Via Email:**

MDHHS-Oakland-DistrictII-Hearings  
BSC4-HearingDecsions  
T. Bair  
E. Holzhausen  
MOAHR

**Petitioner – Via First-Class Mail:**

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