

## DEPARTMENT OF BENEFIT PAYMENTS



July 30, 1974

ALL-COUNTY LETTER NO. 74-142

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: EDUCATIONAL LOANS AND GRANTS

REFERENCE: EAS 44-111.43

A recent HEW Program Instruction concerning educational loans and grants obtained and used under conditions that preclude their use for current living costs provides that for those grants not totally exempted as income, the portion used for educational purposes shall not be included as income in determining need or amount of assistance.

Therefore, effective immediately, that portion of a loan or grant, including a payment under the Veterans Educational Assistance Program (GI Bill), Extended Opportunity Programs and Services (EOPS) in the California Community College System (Section 25527.3 of the Education Code), and the Bureau of Indian Affairs, actually used for items such as tuition, books, fees, equipment, special clothing needs, transportation to and from school, and child care services necessary for school attendance shall not be considered as income in determining need and amount of assistance. Amounts remaining are considered available to meet needs covered in the AFDC standard of assistance and are included as net nonexempt income in determining need and the amount of assistance.

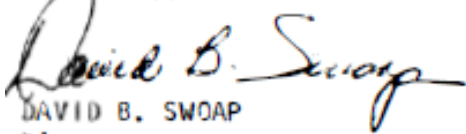
This provision also applies to income such as an OASDI benefit paid to or for an AFDC child which is conditioned upon regular attendance at school, college, university, or a course of vocational or technical training designed to prepare the individual for gainful employment.

**OBSOLETE**Superseded by ACL #77-15Issued 3-17-77

EAS 44-111.43 will be clarified to incorporate the provisions of the above program instruction. However, loans made under Title III of the Federal Economic Opportunity Act and loans or grants to any undergraduate student made or insured under any program administered by the Federal Commissioner of Education will continue to be totally exempt from consideration as income or resources in determining need and amount of assistance.

Questions regarding this letter should be referred to the AFDC Program Operations Bureau (916) 445-4458.

Sincerely,

  
DAVID B. SWOAP  
Director

cc: CWDA