

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 322-5475



December 4, 1980

ALL-COUNTY LETTER NO. 80-74

TO: ALL COUNTY WELFARE DIRECTORS

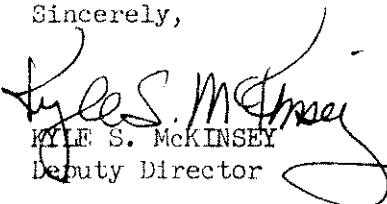
SUBJECT: FOOD STAMP PROGRAM - UNDERWOOD V. HARRIS - LUMP-SUM PAYMENTS

This letter is to inform you of a change in the treatment of HUD rental refund payments received as a result of the Underwood v. Harris class action suit. All-County Information Notice I-66-79 dated June 26, 1979 instructed that for food stamp purposes these payments should be treated as a nonrecurring lump-sum payment pursuant to Section 63-501.11 and should be counted as a resource in the month received. FNS has recently issued regulations, which were effective immediately, and which revise the policy for treatment of HUD rental refund payments.

The instructions contained in All-County Information Notice I-66-79 are no longer correct. The revised policy requires that effective September 26, 1980 retroactive payments issued pursuant to the settlement of Underwood v. Harris shall be an excludable resource for the month in which the payment was received and for the following month. After that two month period any amount remaining shall be considered a resource. This treatment is consistent with AFDC policy for these payments. Regulations are being developed to incorporate this change and will be issued on an emergency basis. It is suggested that counties flag cases discontinued on or after September 26, 1980 due to the receipt of such benefits and prepare to restore food stamp benefits once these regulations are issued.

If you have any further questions, please contact your Food Stamp Program Operations Consultant at (916) 322-5475.

Sincerely,


KYLE S. MCKINSEY
Deputy Director

cc: FNS/WRO