

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 30, 1986

ALL COUNTY LETTER NO. 86-138

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: IMPLEMENTATION OF DEFRA OPTIONS (AFDC, RCA, ECA AND RDP)

On January 1, 1987, AFDC emergency regulations (ORD No. 1086-48) are scheduled to take effect implementing the provisions of AB 3741 (Statutes of 1986, Chapter 1402) which provide the authority for the following four state options under the Federal Deficit Reduction Act (DEFRA) of 1985:

- 1) Retention of real property other than the home for nine months if the Assistance Unit (AU) is making a good faith effort to sell the property;
- 2) Specific treatment of overpayments less than \$35 and overpayments \$35 or more;
- 3) Shortening the lump sum period of ineligibility when certain criteria are met; and
- 4) Disregarding the value of any support and maintenance provided in kind by a private nonprofit organization from consideration as income.

Specific instructions regarding items 1 through 4 above are contained in Attachments I through IV, respectively.

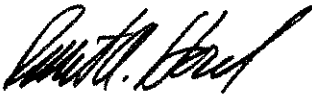
In addition to a copy of the draft regulations, also attached to this letter are camera-ready copies of the following new forms, revised forms and one notice of action (NOA) to be used in conjunction with the property regulations:

- 1) CA 81, Lien Agreement (9 months);
- 2) CA 82, Agreement to Sell Property (9 months);
- 3) TEMP CA 1019, Lien Agreement (3 months);
- 4) TEMP CA 1020, Agreement to Sell Property (3 months); and
- 5) M42-213E, 9 Month Approval, Sale of Property.

An additional NOA is attached which is not camera-ready but is provided to illustrate a modification to an existing NOA. Also, specific NOA message language for use in various circumstances concerning the real property exclusion is provided in Attachment I.

NOAs regarding the lump sum period of ineligibility will be forthcoming.

If you have any questions regarding this letter, please contact the appropriate analyst in the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330 or ATSS 492-5330.



ROBERT A. HOREL
Deputy Director

Attachments

cc: CWDA