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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 92 INF-45

TO: Commissioners of
 Social Services

DIVISION: Economic
 Security

DATE: October 22, 1992

SUBJECT: PA, MA and FS Treatment of Escrow Accounts Under the
 Family Self-Sufficiency (FSS) Program Administered by
 the Department of Housing and Urban Development (HUD)

SUGGESTED

DISTRIBUTION: Income Maintenance Staff
 Food Stamp Staff
 Medical Assistance Staff
 Staff Development Coordinators

CONTACT PERSON: Bureau of Income Support Programs, Dottie O'Brien
 1-800-342-3715, extension 4-6853
 MA Eligibility County Representative at extension
 3-7581 or
 New York City Representative at 212-417-4853
 Food Stamps County Representative extension, 4-9225

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
		352.23(a)	45 CFR 233.20(a)(3) (ii)(D)		

The purpose of this informational letter is twofold:

1. To advise social services districts about the Family Self-Sufficiency Program (FSS) administered by the Department of Housing and Urban Development (HUD); and,
2. To inform districts about the proper treatment of escrow accounts set up under the FSS program for the purposes of determining eligibility and degree of need for Public Assistance, Medical Assistance and Food Stamp programs.

The mission of the FSS Program is to provide supportive services to enable participating families to achieve economic independence and self-sufficiency. Under this program, certain families living in public housing, or receiving Section 8 assistance enter into a contract which states the goals that the head of household wants to achieve and the steps that must be accomplished to achieve the goal. During the contract term, as income increases, a portion of any rent increase resulting from increased earnings is credited to an escrow account. For example, a FSS participant who is employed and whose wages increased would also pay more rent to the housing authority pursuant to a HUD formula. The aggregate amount of the increased rent would then be transferred to an escrow account. These escrow funds can not be paid to the family as long as they are receiving any Federal or State housing assistance or public assistance.

Additionally, the funds in the escrow account will not be released to the family unless they complete the terms of the contract. Families who move from HUD housing prior to completing the terms of the contract will not be entitled to the funds in the escrow account.

Because the funds in the escrow account are not available to the family, the funds cannot be considered for the purpose of determining eligibility or degree of need for Public Assistance, Medical Assistance and Food Stamps programs.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Economic Security