STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

August 23, 1988

ALL COUNTY LETTER NO. 88-106

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SB 1290 - TREATMENT OF EDUCATIONAL LOANS AND GRANTS IN AFDC, RDP, RCA, AND ECA.

REFERENCE: MPP 44-111.43, Educational Loans and Grants
MPP 40-002, Implementation of Exempt Student Loans

On January 22, 1988, AFDC emergency regulations (RDB No. 1287-58) implementing a change in the treatment of educational loans and grants went into effect. The approved regulations were filed with the Secretary of State on June 2, 1988, with an effective date of June 2, 1988. The regulations repealed MPP Section 44-111.435. Educational loans and grants received on or after January 1, 1988, are affected by this change (MPP 40-002).

The effect of this regulation change is that when an applicant or recipient receives more than one educational loan or grant, that person's educational expenses shall not be applied to the loan or grant which is exempt from consideration as income under federal or state law. MPP Sections 44-111.432 and .433 itemize those loans/grants which are unconditionally exempt, and MPP 44-111.434 specifies the treatment of nonexempt loans/grants.

If you have questions regarding this letter or additional questions regarding the treatment of educational loans and grants, please call Sandra Poole-Taylor at (916) 324-2661 or ATSS 454-2661.

ROBERT A. HOREL
Deputy Director

cc: CWDA