

DEPARTMENT OF SOCIAL SERVICES



744 P Street, Sacramento, CA 95814

September 19, 1988

ALL COUNTY LETTER NO. 88-123

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP REPAYMENT AGREEMENT (DFA 377.7C)

The purpose of this letter is to provide counties with:

- o A reproducible copy of the revised Food Stamp Repayment Agreement (DFA 377.7C); and
- o The companion revised worker instructions.

Background:

Many counties have expressed concerns that the current DFA 377.7C(3/84) does not provide the legal strength necessary to collect overissuances in the Food Stamp Program. They have been told by the courts that the clients need to understand and agree to a variety of collection measures that can be used if they fail to repay an overissuance.

With the Department's increased focus on the recovery of Food Stamp overissuances and in response to the county concerns, the DFA 377.7C has been revised. The new form includes language that will inform the client of the consequences they face if they do not pay in accordance with their signed agreement.

Form Changes:

Terms and Conditions:

This section has been rearranged and some slight wording changes made.

Agreement:

The main section has been reworded slightly and a new portion added to inform the client of the consequences of not paying in accordance with the agreement.

County Use Section:

The section heading has been changed to reflect that the county is to complete this section. The CWD uses this section to accept the terms the client has proposed and to indicate where the client is to make the payments. The form is then returned to the client.

Implementation

A reproducible copy of the DFA 377.7C(9/88) is provided for local reproduction because stock will not be available in the Department of Social Services (DSS) Warehouse until December 1, 1988. Counties may implement the use of this form as soon as administratively possible but no later than January 1, 1989.

Ordering of State Reproduced Stock

Orders for the DFA 377.7C(9/88) should be submitted to the DSS Warehouse according to normal procedures.

Foreign Language Translations

The DFA 377.7C will be translated into the five standard languages. These will be provided as "Master Only". They will not be stocked in the DSS Warehouse. The translations will be available in approximately two months and will be transmitted to the counties at that time.

Form Instructions

Effective with the implementation of the new form, the attached form instructions replace the instructions in the Food Stamp Handbook, Section 63-1230, DFA 377.7C (3/84). Vertical lines identify changes or additions to the instructions.

If you have any questions regarding this form, please contact Sergio Diaz of the Overpayment Recovery Bureau at (916) 323-7534 or ATSS 473-7534.



ROBERT A. HOREL  
Deputy Director

Attachments

cc: CWDA

# FOOD STAMP REPAYMENT AGREEMENT

CASE NUMBER
WORKER
CASE NAME

NAME \_\_\_\_\_ ADDRESS \_\_\_\_\_

### TERMS AND CONDITIONS

You must repay extra food stamp benefits by using one or more methods listed here:

1. Lump Sum Payment - You may repay all or part of the amount owed at one time with cash and/or coupons.
2. Installments - You may repay all or part of the amount owed in monthly payments with cash and/or coupons.
3. Benefit Reduction - If you are getting food stamps now, you may repay by having your household's benefits reduced for all or part of the amount owed. Repayment by this method will be based on the terms checked here:
  - 10% of your monthly benefit or \$10 each month, whichever is more.
  - 20% of your monthly benefit or \$10 each month, whichever is more; or
  - Talk to us about the amount to be reduced.

4. Court Ordered Repayment
  - The court ordered that you repay as indicated below. These repayment terms cannot be changed by you or by the County.

If we have not already talked to you about the terms of this Agreement, or if you have any questions, ask your worker.

After you complete and sign this Agreement, return all copies to the county in the envelope provided. Do not send cash or coupons through the mail with this Agreement. When approved by the County, a signed copy of this Agreement will be sent to you.

### AGREEMENT

I, \_\_\_\_\_, understand this Agreement is between me and \_\_\_\_\_ County because extra food stamps in the amount of \$ \_\_\_\_\_ were issued. I agree to repay this amount by the method(s) checked below:

- Lump Sum Payment
  - I will repay by a lump sum cash payment of \$ \_\_\_\_\_ due on \_\_\_\_\_.
  - I will repay by a lump sum coupon payment of \$ \_\_\_\_\_ due on \_\_\_\_\_.
- Installments
  - I will repay by monthly cash payments of \$ \_\_\_\_\_ due on the \_\_\_\_\_ day of each month beginning \_\_\_\_\_.
  - I will repay by monthly coupon payments of \$ \_\_\_\_\_ due on the \_\_\_\_\_ day of each month beginning \_\_\_\_\_.
- Benefit Reduction
  - I will repay by having my household's benefits reduced by \$ \_\_\_\_\_ each month, beginning \_\_\_\_\_.

I also understand and agree that:

1. My repayment schedule is based on my current ability to pay as figured by the county. Any changes in my ability to pay may change my monthly payments.
2. If anything changes I may ask the county to refigure the terms checked above.
3. If I do not pay as agreed and I do not get a new payment schedule, the county may ask that the total amount owed be paid now.
4. If I do not pay as agreed and the county sues me to collect the amount owed, I may also be required to pay collection costs, attorney fees, and court costs.
5. If I do not pay, the county may take my state income tax refund and/or ask the court to attach my wages or any property I own.

Signature \_\_\_\_\_ Date \_\_\_\_\_ County \_\_\_\_\_

### To be completed by the County:

The above signed Agreement has been accepted by \_\_\_\_\_ on \_\_\_\_\_ Date \_\_\_\_\_ for \_\_\_\_\_ County. Payments should be made at:

\_\_\_\_\_  
(Signature of Authorized County Official)

Form Instructions  
(for CWD)

**FOOD STAMP REPAYMENT AGREEMENT**

**Purpose:**

The DFA 377.7C is used by the county to secure a written repayment agreement with an individual who received extra food stamps. This agreement is sent to the individual along with the Food Stamp Repayment Notice, DFA 377.7B.

**NOTE:** The CWD should attempt to contact the individual to discuss the terms of repayment prior to sending the first Food Stamp Repayment Notice and Agreement.

**Preparation:**

Complete an original and three copies of the DFA 377.7C. Additional copies may be required by the county's internal system. Enter the following identifying information:

- Case number
- Worker
- Name of individual against whom collection action is initiated
- Case name
- Address

**Terms and Conditions**

For item 3 check the appropriate box for the formula which will be used for benefit reduction based on the type of claim. Check the first box for a claim based on an inadvertent household error; the second box for an intentional program violation; or, the third box for an administrative error.

Check the box in item 4 if the court ordered the terms of repayment for an intentional program violation claim. Complete the appropriate sections of the Agreement to reflect the court-ordered terms before sending the Agreement to the individual.

**Agreement**

Enter the individual's name, the county name, and the amount to be repaid in the spaces provided.

If the CWD was able to contact the individual and establish the terms of repayment, check the appropriate box(es) under the repayment options and enter the agreed-upon amounts and dates.

If the CWD was unable to contact the individual or is unable to establish the terms of repayment, do not enter any information under the repayment options.

**Initial Distribution:**

The original and two copies are provided to the individual along with the Food Stamp Repayment Notice and a return envelope. The third copy is retained by the CWD pending receipt of the signed Agreement.

**County Section:**

When the signed Agreement is returned by the individual, determine if the terms are acceptable as specified by regulation. Enter the following information in the section marked "To be completed by the County:".

- Name of county official accepting Agreement
- Date
- Name of county
- Address where payments should be made
- Signature of authorized county official

**Final Distribution:**

The original is filed in the county unit responsible for collections and one copy, showing the county's acceptance of the Agreement, is provided to the individual. The second signed copy is filed in the case record and the pending copy is destroyed. Additional copies should be distributed as required by individual county needs.