
**ASSETS FOR INDEPENDENCE
PROGRAM**

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Community Services
Division of Community Demonstration Programs
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<http://www.acf.hhs.gov/programs/ocs/programs/afi>

Information Memorandum 2017-02

Date: January 18, 2017

TO: All Assets for Independence (AFI) Grantees

SUBJECT: Clarification on Eligibility Determination and Participant Selection

RELATED

REFERENCES: Assets for Independence Act, 42 U.S.C. 604 note, as amended.

Purpose: The purpose of this Information Memorandum (IM) is to provide clarification related to Sections 408 and 409 of the Assets for Independence Act.

Background:

Sections 408 and 409 of the Assets for Independence (AFI) Act address the eligibility criteria and the selection of participants for AFI projects.

Section 408 lays out requirements for participant eligibility, and these are the only eligibility requirements for the AFI program. Section 408 states:

(a) IN GENERAL.-- Any individual who is a member of a household that is eligible for assistance under the State temporary assistance for needy families program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or that meets each of the following requirements shall be eligible to participate in a demonstration project conducted under this title:

(1) INCOME TEST.--The adjusted gross income of the household is equal to or less than 200 percent of the poverty line (as determined by the Office of Management and Budget) or the earned income amount described in section 32 of the Internal Revenue Code of 1986 (taking into account the size of the household).

(2) NET WORTH TEST.--

(A) IN GENERAL.--The net worth of the household, as of the end of the calendar year preceding the determination of eligibility, does not exceed \$10,000.

(B) DETERMINATION OF NET WORTH.--For purposes of subparagraph (A), the net worth of a household is the amount equal to--

- (i) the aggregate market value of all assets that are owned in whole or in part by any member of the household; minus
 - (ii) the obligations or debts of any member of the household.
- (C) EXCLUSIONS.--For purposes of determining the net worth of a household, a household's assets shall not be considered to include the primary dwelling unit and one motor vehicle owned by a member of the household.

Used throughout Section 408, the term *household* is defined in Section 404(4) as follows:

The term "household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

In Section 409, grantees are given the authority to select individuals to participate from those that meet the eligibility requirements in Section 408. Section 409 states:

From among the individuals eligible to participate in a demonstration project conducted under this title, each qualified entity shall select the individuals--

- (1) that the qualified entity determines to be best suited to participate; and
- (2) to whom the qualified entity will provide deposits in accordance with section 410.

Policy Summary:

The Office of Community Services (OCS) is clarifying key aspects of eligibility determination and participant selection for AFI program grantees.

Definition of Household

The definition of *household* in section 408 of the AFI Act is broad and can encompass different groups of individuals in a dwelling. OCS will permit grantees to use any grouping method permitted by the statutory definition of *household*. These include:

Option 1. Physical Structure. A household is all individuals who share use of a dwelling unit that is physically distinct from other units, and who use that space as their living and eating quarters. In this case, a household unit is measured by the persons who live and eat in the same home, and there is no distinction between any sub-groups of individuals.

Option 2. Eating Separately. A household is all individuals who reside in a dwelling unit and who eat separately from any other individuals in that unit. A distinction is made between the individuals sharing the unit when some customarily share eating expenses and eat together. Those with shared eating expenses and shared meals make up a household. There may be more than one household in a dwelling unit.

Option 3. Living and Eating Separately. A household is all individuals who reside in a dwelling unit who live and eat separately from other individuals in that unit. There may be subgroups within the same dwelling unit. One subgroup combines income and resources and eats together. Even though they pay a portion of the rent, they do not

combine income or resources with the other subgroup(s) that are also paying a portion of the rent. Each subgroup is a separate household.

In addition to these three options, grantees may also use other grouping methods that can be reasonably encompassed by the statute.

At the beginning of each AFI project, grantees must determine what grouping method they will use for *household*. If asked, grantees must be able to clearly state how *household* is being implemented in order to determine eligibility for their AFI project. In order to be fair to potential participants, there must be consistency in how *household* is implemented within each AFI project. Thus, a grantee cannot use Option 1 above when determining whether or not Individual A is eligible and then use Option 2 when determining whether or not Individual B is eligible for the same AFI project. Similarly, a grantee cannot use more than one grouping method for *household* in their calculations to determine the eligibility of one individual, such as using both Options 1 & 2 to determine whether or not Individual C is eligible. If one organization is operating two AFI projects, the organization can choose different grouping methods for *household* for each project. In such a situation, the organization must ensure that there is consistency within each individual project, and OCS may ask the organization for an explanation of this choice.

Eligibility and State Temporary Assistance for Needy Families

Section 408 lists two grounds for eligibility for participation in AFI. The first ground for eligibility establishes eligibility in Section 408 by cross-referencing household eligibility for assistance under the State temporary assistance for needy families (TANF) program and the second ground provides income and net worth requirements.

The definition of *State* for the purposes of the State TANF program (42 U.S.C. 601 et seq.) means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa. Given the wording of Section 408 and 42 U.S.C. 601 et seq., Tribal TANF programs are not considered State TANF programs for the purpose of AFI eligibility determination. AFI projects serving areas in which there are Tribal TANF populations must determine AFI eligibility either using the second ground for eligibility in Section 408 or using the eligibility rules for the State TANF program in the jurisdiction that they serve. They may not use the eligibility rules for a Tribal TANF program.

Non-Discrimination in Participant Selection

Section 409 provides grantees with discretion in selecting individuals among those eligible for AFI to participate in the AFI program. OCS is clarifying to AFI grantees that any factors put in place for selecting participants from among those eligible for AFI must comply with all federal non-discrimination laws and regulations. AFI grantees must ensure equal access to their programs without regard to a person's race, color, national origin, disability, age, sex and religion. Some examples of selection factors that are allowable include: residence within the geographic service area of the AFI project; having a source of earned income with which to

make individual development account (IDA)¹ deposits; completion of a financial education class; and enrollment in a specific community college. Selection factors should be clearly documented in project materials and available for review by project staff, OCS staff or their representatives, and potential participants.

All selection factors must be applied fairly and consistently within an AFI project. There may be circumstances in which selection factors are not applied to all potential participants, but the factors are still applied fairly and consistently. For example, in order to ensure the success of individuals saving for a first-home purchase, an AFI project that offers both first-home purchase and postsecondary education IDAs may have a credit score selection factor for first-home purchase without also implementing a credit score selection factor for postsecondary education.

Additional Information

Technical assistance resources for the AFI program are available on the AFI Resource Center, online at <http://idaresources.acf.hhs.gov/>.

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¹ All references to IDA in this document refer to AFI-funded IDAs. IDAs that are not supported by AFI funding, such as those funded entirely by state or private funds, are not subject to AFI Act requirements.