

STATE OF VERMONT

HUMAN SERVICES BOARD

In re) Fair Hearing No. 14,416

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Appeal of)

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INTRODUCTION

The petitioner appeals the decision by the Department denying her application for Food Stamps. The issue is the effect that the value of a car recently purchased by the petitioner has on the petitioner's countable resources for Food Stamp eligibility under the pertinent regulations.

FINDINGS OF FACT

The facts are not in dispute. The petitioner lives with her husband and their three children. They own a 1988 pickup truck worth about \$1,500.00 that the petitioner's husband uses to drive to work. However, in March, 1996 they purchased a second car, a 1994 Chevy Cavalier, with the help of a relative who co-signed for a loan for its purchase.

When the petitioner applied for food stamps in June, 1996, the low "blue book" value for the car was \$6,975.00. The Department determined that this placed the petitioner over the Food Stamp resource maximum, even though it concedes that the amount the petitioner owes on her loan for the car is far in excess of its applicable book value, and that, as a result, the petitioner has no "equity" in the car.

The petitioner does not dispute the Department's valuation of her car. She states, however, that she uses the car primarily to drive her children to school, which is about two miles from her home. Her town does not provide transportation, and she states she has been unable to find an alternative means of transporting her children to school.

ORDER

The Department's decision is affirmed.

REASONS

The Food Stamp regulations regarding the treatment of motor vehicles is summarized in F.S.M. § 273.8 (h)(6) as follows:

In summary, each licensed vehicle shall be handled as follows: First it will be evaluated to determine if it is exempt as an income producer or as a home. If not exempt, it will be evaluated to determine if its fair market value exceeds \$4,500. If worth more than \$4,500, the portion in excess of \$4,500 for each vehicle will be counted as a resource. The vehicle will also be evaluated to see if it is equity exempt as the household's only vehicle or necessary for employment reasons. If not equity exempt, the equity value will be counted as a resource. If the vehicle has a countable market value of more than \$4,500 and also has a countable equity value, only the greater of the two amounts shall be counted as a resource.

The Department, in applying the above provisions to the petitioner's situation, determined that neither vehicle was exempt as an income producer or a home. The Cavalier was determined to be worth more than \$4,500, and the amount of its book value in excess of that amount was determined to be a resource. (The value of the family's pickup truck was under \$4,500, and its equity value was exempted from consideration as a resource.) Because the amount by which the Cavalier's value exceeded \$4,500 was more than \$2,000, which is the Food Stamp resource maximum (see F.S.M. § 273.8[b]), the Department determined that the petitioner was ineligible for Food Stamps.

The Department's decision is clearly in accord with the applicable regulations, and must, therefore, be affirmed. 3 V.S.A. 3091(d) and Fair Hearing Rule No. 17. As of the date of the hearing (July 10, 1996), however, it appeared that the passage of only a few months of time had already reduced the "blue book" value of the petitioner's car to the point where in another month or two it was likely that it would not place the petitioner over the resource maximum. The petitioner was advised to reapply for Food Stamps (on a monthly basis, if necessary) on the likelihood that the value of her car would decline to the point where she was no longer ineligible.

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