

Single Parent's
Guide
To The
System

M.L. Bushman

***Single Parent's
Guide
to the
System***

M.L. Bushman


 **Jigsaw Press**
Sun River, Montana

©2006 by M.L. Bushman. All rights reserved. Except for brief quotations used in a review, no part of this publication may be reproduced or transmitted by any means—electronic, mechanical, photocopying, recording, or otherwise—without prior written permission of the copyright holder.

This booklet is expressly intended to provide information on local, state, or federal benefits that may be available to low and ultra-low income single parents as well as others. It is sold with the understanding that neither the publisher nor the author is able to warrant or guarantee the purchaser's eligibility or acceptance to any program outlined herein. For legal assistance in these or any other matters, please consult a qualified professional.

Cover and interior design by M.L. Bushman

Published by:

 Jigsaw Press
P.O. Box 136
Sun River, Montana 59483

www.jigsawpress.com

Proudly produced in the United States of America

Table of Contents

Introduction 5

Food Stamps 6

WIC 8

Medicaid and/or Medical Options 8

TANF 10

Head Start 11

Daycare Assistance 11

Utilities Assistance 12

Rent Subsidies and HUD 13

Miscellaneous Resources 14

A Home of Your Own 15

Introduction

Knowing my particular circumstances as well as she does, my caseworker suggested I put together this booklet for those who might benefit from the practical advice of a single parent making the System work for her and her child.

As a bonus, I've included information on the largely unpublicized government program that enabled me—a single mom working part-time and grossing less than nine thousand a year—to buy a house, no money down, and mortgage payments far less than rent on an average two-bedroom apartment.

It is my fervent hope the *Single Parent's Guide to the System* benefits you and yours every bit as well or better than the resources outlined in the following pages have helped me and mine.

To our children's futures then,

-M.L. Bushman-

Food Stamps

Food stamps should be a no-brainer, yet statistics show that a substantial majority of eligible households aren't receiving them. And why not? While any monthly allotment for which you qualify may not cover *all* the needs of your family, it's surely bound to help. Single men and women, the self-employed, and couples with no children may also be eligible.

The application and initial interview will take approximately two hours of your time. Before you decide two hours is just too much hassle on behalf of both you and your kids, consider this: if, after all that "hassle" you receive a mere \$25.00 a month in food stamps for the next six months, that's \$150.00 for two hours of your time, or \$75.00 an hour.

Personally, I think filling out a form, gathering some paperwork, and showing up for an appointment is pretty easy money, especially in light of the hourly rate. And once your household is in the System, the aforementioned two hours dwindles to one or less—a simple review every six months that, if your financial circumstances don't change appreciably, you don't have to leave home to complete. Chances are, if you and yours *are* eligible for food stamps, you're going to qualify for more than just \$25.00 a month. So, how much is your hour worth? Mine's worth over four times the example I've just given you.

In most states, using food stamps is now as easy as swiping a credit card and keying a pin number. Your card is reloaded once a month, on the same day of every month, depending on the first letter of your last name.

Once you qualify for food stamps, your school-age children are automatically eligible for free breakfast and lunch at their respective schools. Check with your school system administrators, and/or your caseworker for more information. You should receive a letter of eligibility to give to your

children's school prior to the start of the school year.

Let me caution you to answer every question on the application and during the initial interview honestly and to the best of your ability. Welfare fraud is no longer a slap on the wrist. I personally know someone on ten years probation for this very offense, who was also fined forty thousand dollars in restitution and penalties. A felony conviction will trail this person the rest of their days. They're not allowed any sort of federal or state assistance until the probation is finished and the fines paid in full.

No matter what you're given, even if you receive nothing initially, I suggest you thank your caseworker sincerely, and check back periodically. Guidelines change with little or no advance notice, and to your benefit more often than not. You have the right to appeal your caseworker's decision, plus the right to re-apply at any time.

Additional notes on food stamps and Medicaid—As of this writing, your primary home and vehicle are exempt from asset limits. You are not required to report tax refund(s) to them, nor should you ever leave more than two thousand dollars in your bank account for any length of time.

You will be required to provide proof of court-ordered child support, or sign a consent allowing the state to search out and initiate support proceedings against your child's other parent. Failure to do one or the other will result in automatic denial of all benefits.

Unless you have at least one child under six years of age living with you full-time, you must be employed at a gross weekly income equal to thirty hours at the current federal minimum wage. If you make more than the minimum wage—as is the case with me—you need only work enough hours to satisfy this requirement. At the current federal minimum wage (5.15 per hour x 30 hours), you must make \$154.50 per week (before deductions) in addition to any other source of income such as child support.

Click [here](#) for federal eligibility requirements, plus

income limits; or go to http://www.fns.usda.gov/fsp/applicant_recipients/fs_Res_Ben_Elig.htm

WIC

WIC (Women, Infants, and Children) is a federal grant program administered by the Food and Nutrition Service (FNS), a division of the United States Department of Agriculture (USDA). If you are pregnant or nursing or have at least one child under age five, you will receive monthly vouchers honored by all the major grocery chains and most independent grocers for staples like milk, formula, cheese, juice, cereal, etc.

For a listing of WIC agencies by state (including addresses and toll free numbers) click [here](#); or <http://www.fns.usda.gov/wic/Contacts/statealpha.HTM>

The application process and initial health assessment is simple and takes about an hour. You may be required to attend the occasional nutrition class to continue your eligibility. You do not have to receive food stamps or Medicaid to qualify.

Applicants must meet income and state residency requirements, and be adjudged “nutritionally at risk” by a qualified healthcare professional. (Just so you know--ninety-nine percent of people in this country can be found to be at some sort of nutritional risk.) The “healthcare professionals” required to make that assessment are usually employed by the local clinic providing this service.

To view current federal income baselines pertaining to this program, click [here](#) or <http://www.fns.usda.gov/wic/howtoapply/incomeguidelines.htm>

Medicaid and/or Medical Options

When you receive food stamps, your children are automatically considered for Medicaid. However, you do not have to qualify for food stamps for your children to be eli-

gible for Medicaid. Depending on your household's gross monthly income, there may or may not be a nominal co-pay required for office and emergency room visits. This coverage includes regular dental check-ups as well.

Unless you're expecting a child, Medicaid normally won't cover an able-bodied parent, except in extreme cases where you had little or no income for a month or more due to a major health issue.

There may also be low-income health programs or sliding scale discounts on medical care available from local clinics and hospitals. If you're reasonably healthy, this may be to your benefit versus participating in your employer's medical program, if you're eligible to do so (my part-time hours preclude my participation), especially if there's a high deductible.

For example, the company I currently work for would take \$40.00 every two weeks to cover only me with a deductible of \$750.00 a year. After the annual deductible is satisfied, if it's satisfied, I would still be required to pay twenty percent of most charges. To add my child to this coverage would cost an additional twenty dollars every two weeks (a total of \$60.00 every two weeks before I ever see my paycheck), while the yearly deductible would double to \$1500.00. Last year I had medical expenses of \$232.00 for which I paid, after discounts from my local health clinic, approximately \$55.00. Under my company's plan, I would have paid the entire amount without satisfying even half the deductible.

Granted, health care is not the same all over the country and some employers' medical plans are much better than others. The only point I'm trying to make here is to carefully explore your options and run the numbers as best you can before you hop willy-nilly on your employer's health care band wagon, if you're eligible to do so. Most single parents I know, if reasonable alternatives are available, can use a thousand dollars a year much more effectively in other areas of family life instead of handing their hard-earned money

right back to their employer for health insurance.

Another option for single parents whose children do not qualify for Medicaid is **CHIP**, the Children's Health Insurance Plan, which thanks to the settlement with the tobacco companies, is now available in virtually every state. Broad guidelines in the federal mandate allow each state to set policy and determine income limits and/or fees. If you make too much for Medicaid, this is an alternative worth looking into for the health of your child. You can check out your state's program [here](#) or <http://www.insurekid-snow.gov/states.htm> or call toll-free: **1-877-KIDS-NOW (1-877-543-7669)** for more information.

TANF

Temporary Assistance for Needy Families (TANF) is the welfare-to-work program that rose out of the ashes of the welfare reform bill passed in 1996, designed to replace Aid to Dependant Families (or AFDC). Congress gave each state flexibility in developing their own welfare programs, so for the requirements specific to your state, contact the office that administers food stamps and Medicaid. You can apply for TANF at the same time and on the same form.

Although there are minimum federal guidelines that must be met, since each state is allowed to fashion the program however they see fit, your mileage will vary substantially depending on where you live.

If you apply for this program in the state of Montana, you will be required to sign over all your child support, plus work thirty hours a week at the state's bidding. However, what you receive in money and benefits will most likely **not** compensate you for the loss of your child support plus thirty hours of work per week at the federal minimum wage. In other words, in Montana, a single parent is much better off working at least a part-time job and utilizing other resources outlined in this guide.

Head Start

Another program to consider for your child, if available in your area, is **Head Start** (or <http://www.acf.dhhs.gov/programs/hsb/>).

In four or eight hour sessions, pre-school aged children receive preparation for kindergarten and beyond within a supervised classroom-like setting that includes breakfast, lunch, and a healthy snack. Some, but not all, Headstart programs provide transportation to and from the home.

Taking advantage of this program can also save you plenty on daycare during the school year. Participation is limited, however, so your child may be on a waiting list for a time before acceptance. Households above the poverty line, or those making too much to qualify for free services, are charged on a sliding scale dependant on gross income.

Daycare Assistance

If you're a low income worker like me, you may be eligible for subsidized daycare, also known as a daycare scholarship. Each state receives federal funding from the Child Care and Development Block Grant Act and section 418 of the Social Security Act. In 2006, the amount made available to the Child Care and Development fund was 5 billion dollars.

I took advantage of this program last summer, when school was out, to put my child in the state-certified daycare of my choice for seven hours a day, four days a week. The cost to me was \$10.00 a month.

Child Care Aware, or <http://www.childcareaware.org/en/> has a handy little service locator--a matter of typing in your zip code to find the agency administering these funds nearest you. Or you can call 1-800-424-2246 for assistance (TTY 1-866-278-9428).

What you qualify for in the way of assistance will, again, depend on your household's gross income. The application takes an hour or so to complete, and at least here in Montana, you receive your determination by mail shortly afterward, no interview required.

Alternatives to consider—If your children, age five and up, attend a school where there's an active Boys and Girls Club unit, five dollars a week per child (at the time of this writing) through the summer will get them breakfast and lunch, plus an afternoon snack during a day jam-packed with structured play and activities. Before and after school care is free during the school year as well. There are field trips and outings and daycare hours, too--seven in the morning to six at night, Monday through Friday.

The caregivers employed by Boys and Girls clubs normally take off the week right after school ends and the week just before school begins so you will have to make other arrangements for this, plus the July 4th holiday, if it falls on a week day.

If your child does not attend a qualifying elementary or middle school, Boys and Girls Clubs' charge sixty dollars a week—at least here in Montana they do. I don't know how their prices might run elsewhere throughout the country.

Another place to look for low cost daycare is your local YMCA or YWCA, if there's one near you. From what I understand, their programs are similar to Boys and Girls clubs, however, in the interest of full disclosure, I have no direct experience with them.

Utilities Assistance

LIEAP, or the Low Income Energy Assistance Program, is also known by various other acronyms depending on your state such as LIHEAP or similar. Again, this is a simple application process taking an hour or two of your time once a year to assemble the necessary documen-

tation. One thing they will require is proof of income for the past year, meaning a copy of all check stubs, etc. You normally apply in October or November, though they may take applications throughout the winter until April. Your food stamp caseworker or local department of health and human resources should have information on where and how to apply. The particular local agency administering this federally-funded program may also be listed in your phone book.

LIEAP essentially pays your heating costs by crediting the utility supplying your **main heat source**--in my case, natural gas. This does not mean they are also going to pay my electric company simply because my furnace requires electricity to blow the heated air through the house. However, there may be added discounts to be had from, say, the more enlightened of utility companies out there for applicants who participate in the program, even if the main heat source is supplied by a competitor.

These funds are administered on a first come, first served basis (although I've never known anyone in need to be turned away) so prompt application is advised. This program also has emergency provisions to help you avoid utility cut-offs in the dead of winter.

Rent Subsidies and HUD

When my child and I struck out on our own, I had enough money to rent a small house. With my landlord's approval, I applied for HUD section-eight housing assistance, only to be informed the waiting list was two years. And wouldn't you know, I received a letter stating I had reached the top of the list not two weeks before I closed on my house, which was almost two years after my daughter and I moved to this area. There were, however, apartments available for rent based on thirty percent of my measly income, but I chose instead to work and utilize other strate-

gies I've outlined in this booklet.

Renting a house was a personal decision, granted, made in the best interests of my child and her emotional well-being, but had I truly needed to do so, I would've jumped at the opportunity for a subsidized rent apartment. I present this information only as another option to consider. Your caseworker or the local agency that provides LIEAP services should have all the information on where to apply for assistance.

Miscellaneous Resources

If you run into difficulties making ends meet or putting food on the table, in addition to the resources outlined in this booklet, do not overlook your local food bank, or local branches of national charities such as the Salvation Army or St. Vincent de Paul. Also consider local charities and churches as well. The local office of the United Way is another resource often underutilized or completely ignored, one that may be able to temporarily cover your rent, assist you with car repairs, etc. Many places offer holiday dinners with all the fixins, free clothing for your children, free coats for winter, etc. Above all, it never hurts to ask, ask, and ask again.

If you have any tips or suggestions that might assist others, please email the editor at [Jigsaw Press](#). I will be updating this booklet as enough new information becomes available, and providing updates to purchasers on request.

A Home of Your Own

Poking about the Net has never proven as beneficial as when I stumbled on the USDA's website and found Rural Development's housing program for low and ultra-low income people.

Can a single parent on food stamps grossing less than nine thousand a year from part-time employment buy a home? You bet. Even couples and singles without children can qualify for this under-publicized federal program.

Passable to good credit is a must, and if you don't meet the minimum requirements, or have no credit at all, they'll advise you on the best way to get there. Another stipulation of a Rural Development loan is finding a house that is, in effect, rural. Each state has specific urban areas that are off-limits to a loan of this type, but if you're not against living in the country or at the very least, just outside city limits or in a small rural community, this may just be your ticket to home ownership. For me, this was a true no-brainer—my daughter and I were itching to get back to the country.

By clicking on my state from the map [here](http://www.rurdev.usda.gov/recd_map.html)—http://www.rurdev.usda.gov/recd_map.html—and choosing **Offices** from the menu at the top of the page, I located the address and phone number of my regional office. After a call to determine whether or not this program might apply to me, I rushed down there to get an application. The ladies in the office couldn't have been more helpful throughout the entire process, patiently answering question after question, assisting me every step of the way in properly filling out the necessary forms, etc.

I'd never purchased a house before, didn't know a thing about the process to be honest, but as a first-time buyer I was eligible for assistance with my down payment and closing costs through Neighborhood Housing Services (NHS). All I had to do was complete their home-buying course,

which meant three nights of class, two hours per, at the nearby college. I learned a lot I didn't know and wouldn't have thought to ask about every aspect of mortgages and home ownership, so for me it was a real win-win situation. There are first-time buyer programs similar to this in most every state throughout the country. Your Rural Development office will have all the details.

Rural Development is a stickler for a solid, sturdy house, meaning they won't let you buy a bad house. They also have limited monies available each year to fund these loans, but since the programs aren't publicized, there's a good chance a lack of funding won't be an obstacle.

The hardest part was locating the right house within my pre-approved price range. Each office has guidelines for mean income and real estate values specific to their region of coverage within their respective state. These limits are much more generous than the federal guidelines mentioned elsewhere in this booklet. In other words, in an area where the mean income is estimated to be over fifty thousand dollars a year, real estate prices are going to reflect that, and so, too, the amount for which you, the low or ultra-low income applicant, may qualify.

After totaling all my income—employment, child support, even food stamps, etc—then subtracting the allowable deductions and liabilities, I ended up in the ultra-low income bracket. Under this designation, I qualified for a 502Direct, meaning the money for my loan came straight from the federal government. Before they give anyone this type of loan, Rural Development will try to find private lenders for some or all of proposed purchase amount, but not at the expense of getting you, the low-income borrower, into a suitable home at payments you can afford. Some of the reasons you might end up with a private lender are gross income, credit-worthiness, etc.

For example, through private lenders I qualified for a maximum loan of fifty grand, but around here, that just wasn't enough for a decent house.

My 502Direct loan is a thirty-three year mortgage with no pre-payment penalty. My monthly payment is subsidized by the federal government so that all I pay out of pocket amounts to one percent of the loan. I will undergo an income review every two years, meaning they'll want a copy of my most recent tax return to determine my level of eligibility. If my annual income should rise ten percent or more, then I am required to report this as it may raise not only my interest rate, but mortgage payment as well. Still, a loan capped at six percent in today's market is very competitive. Loan caps can vary, too, by location and current market climate.

A loan like this has certain rules, some of which are: you must actually live on the premises; only 15% of the total square footage may be used for a home office; you cannot open a business such as a daycare; nor can you rent the house to someone else. Should I sell my house before paying off the mortgage, some of what I might realize in a capital gain may be subject to a recapture fee. If Rural Development has some beef with you, or has reason to believe you purchased the house simply to profit on a resale, they may ask for all of their payment subsidy back. This, however, is not their typical practice, and Rural Development will likely only require approximately ten percent of your net gain.

You'll pay a small fee upfront (\$37.00) for a credit report when you initiate the application with Rural Development.

Once you've been accepted and are actively shopping a home, I suggest you find a real estate agent familiar with program requirements. Mine saved me thousands of dollars and a lot of time and hassle simply by anticipating the program's expectations and showing me only those properties certain to qualify.

Hire a home inspector. These guys are worth their weight in gold for what they'll tell you about your house. They can also alert you to things you may want to ask the

seller to fix prior to closing. Rural Development will have the house appraised prior to closing (at their expense), but your home inspector can tell you whether the appraisal is likely meet or exceed the selling price. My home inspection ran me a little under three hundred dollars, and even now, over a year and a half later, I find myself consulting the report.

If possible, have the property lines surveyed or the pins from the most recent survey located. In my case, the seller paid for this as well as a few other improvements.

Now, I won't go into the actual numbers because besides being personal, other factors can affect your mortgage payments, such as the cost of home owners insurance and taxes, but to give you an idea: on a \$70,000 502Direct Loan loan capped at six percent, but subsidized to one percent, principal and interest will run a little over two hundred dollars a month (again, this does not include taxes and insurance).

After I closed on the house, my monthly food stamp allotment was reduced--slightly--because my rent used to be one and half times higher for a run-down house on the corner of a busy city block with half the living space and a fraction of the yard. In my book that was a small sacrifice to make for a bright and cheery two-bedroom house on three quarters of an acre with Berber carpets and ceramic-tiled kitchen and baths, not to mention the river and mountain views.

Rural Development has other housing programs in addition to the one I just described. If you're interested in owning your own home, talk to your local office today.

Sure, you're going to fill out forms and gather copies and spend days, months even shopping a home, but in the end, you have to ask yourself--what's your time worth? More importantly, what do you, and your children, have to lose?

Notes