

USDA Discrimination Financial Assistance Program (DFAP) Awards and Supplemental Nutrition Assistance Program (SNAP)

The information below is for the farmers and ranchers who applied for and received a one-time, lump-sum award from the United States Department of Agriculture (USDA) under the USDA Discrimination Financial Assistance Program (DFAP). DFAP was created to address the consequences of prior discrimination by USDA in USDA farm lending. This general information will help people who receive these USDA DFAP awards understand the potential impact of the money on SNAP benefits.

The USDA DFAP Award may affect your SNAP eligibility. Everyone's situation is different. Be sure to consult an attorney or advocate knowledgeable about SNAP in your state for advice.

See below for a list of resources.

What are SNAP benefits?

SNAP is a federal program that provides benefits to low-income households to help pay for food at local grocery stores. SNAP benefits are administered by state human service agencies. SNAP eligibility and program rules differ in each state.

How could my USDA DFAP award affect my SNAP benefits?

Your eligibility for SNAP depends on your household's income and assets/resources. The lump-sum award you receive from the USDA DFAP is not income, but a resource. If your total resources increase above the maximum allowed by SNAP, **you will no longer be eligible for SNAP**. But if you remain eligible, your DFAP award will not affect the amount of SNAP you receive.

When is my USDA DFAP award considered “income” for SNAP?

A one-time, lump-sum payment by the government, like the USDA DFAP award, is never considered income for SNAP purposes.

When is my USDA DFAP award considered a “resource?”

Any of the USDA DFAP award left over after the month you receive it is a resource. For example: if you receive an award of \$5,000 in June, and you spend \$1,000 in June, the remaining \$4,000 is a resource beginning in July and continuing each following month you have the money.

What are the SNAP resource limits in my state?

Remember, if you still have enough of the USDA DFAP award the month after you receive it to increase your total resources above the maximum allowed in your state, you will not be eligible for SNAP.

To be eligible for SNAP benefits in West Virginia, a household (individuals who live together in the same residence and who purchase and prepare food together) must have assets below the following limits:

- Households without a member aged 60 or older or who has a disability must have assets of \$2750 or less.
- Households with a member aged 60 or older or whose member does not have a disability have an asset limit of \$4250 or less.

FYI, West Virginia also requires households to meet income requirements for SNAP but the USDA DFAP award does NOT count as income:

- The gross monthly household income, before any of the program’s deductions are applied, must be below 130 percent of the poverty line. (ex. 130 percent of the poverty line for a three-person family is \$33,566 per year)
- The net household income, after deductions are applied, must be at or below the poverty line.

FYI, West Virginia also imposes an “Able Bodied Without Dependent Work Requirement.” People ages 18-52 who do not have a child or aged/disabled person to care for and are “fit” are limited to three months of SNAP benefits within a three-year period unless they meet work requirements or qualify for an exemption. Before October

1, 2023, the work requirements applied to people up to age 48. Now if you are between the ages of 50-52 the work requirements may apply to you. The age limit will increase again on October 1, 2024, when people up to age 54 will have to meet work requirements or qualify for an exemption.

What can I do to avoid or minimize the impact of the USDA DFAP award on my SNAP benefits?

If your USDA DFAP award will increase your resources above the limit, you can avoid its impact on your SNAP benefits by spending it in the month you receive it. It is a good idea to save receipts or other documentation of how you spent it, just in case your state agency has questions.

Some permissible ways to spend the DFAP award include: paying off bills (e.g. past due rent, utilities, credit cards); buying new furniture or household goods; buying new farm equipment; buying an irrevocable prepaid burial policy; buying gift cards for stores you often shop at (Wal-Mart, grocery store). Generally, it is not a good idea to pre-pay rent. If you have a large amount of money, consider funding a 529 account (for children's educational expenses) or an ABLE account (savings for people who were disabled before age 26). Neither of these accounts are considered resources for SNAP.

DO NOT GIVE THE MONEY AWAY. Giving away the money could make you ineligible for the SNAP program for up to one year.

Do I need to report the USDA DFAP award to the human services agency in my state?

Best practice is to report all significant income and resource changes within 10 days of the change. Keep all receipts and other documentation of how the funds were spent in case your state agency asks you to prove you no longer have the funds available to you.

In West Virginia, if you have an increase in assets and the total amount exceeds \$3,000, you must report the change in assets of your household within ten days of the time you learn of the change.

- To report a change in income or assets you may do so using the West Virginia Department of Health and Human Resource Change Reporting Form.
- Please contact the Customer Service Reporting Center at 1(877) 716-1212 before reporting the information.
- Change Reporting Form DFA-SNAP-2 10-22.docx (wv.gov)

How do I get information about my SNAP benefits?

- Call 877-716-1212
- Visit <https://www.wvpath.wv.gov/>
- Visit a local office

Where can I find more resources related to the impact of the USDA DFAP award on my SNAP benefits?

Many USDA DFAP award recipients can request brief legal advice through the American Bar Association Free Legal Answers platform at <https://abafreelegalanswers.org/>. You will need to select the state where you live and provide income and asset information to determine eligibility for free legal advice, which is generally available to people with household income below 250 percent of the federal poverty guidelines. When answering questions about your assets, do not include your USDA DFAP award. Once you are approved, you can create an account to ask a question and get advice from a volunteer attorney.

You can also contact the Legal Aid office that serves your community. Not all Legal Aid programs can assist with these kinds of questions, and they only serve people who meet financial and other eligibility requirements. You can look up your local Legal Aid at <https://www.lsc.gov/about-lsc/what-legal-aid/i-need-legal-help>.

Additional resources and information are available at <https://www.nlada.org/USDA-DFAP/award-recipients>.

For general questions about your DFAP award, contact the DFAP Call Center at 1-800-721-0970.