

That savings account was used as collateral for a secured credit card with a credit limit of \$5,000 beginning on May 5, 2022. Under the terms of the secured credit card agreement, B. T. and E. T. could not withdraw or otherwise use \$5,000 of the funds in the savings account without first paying off the balance due on the credit card, rescinding the agreement, and surrendering the credit card.⁵ E. T. closed the card on May 15, 2023, rescinding the agreement.⁶

E. T. is a self-employed commercial fisherman. B. T. provided a copy of the family's 2022 federal income tax return, which showed that he fished commercially in 2022. B. T. testified that the purpose behind the secured credit card was to allow E. T. to have a credit card for his commercial fishing business, and that the funds deposited into the savings account came from his fishing business. However, the associated checking account was used for both personal and business purposes.⁷

III. Discussion

SNAP is a federal program which is administered by the State of Alaska.⁸ To administer the program in Alaska, the Alaska Department of Health has adopted the federal regulations governing the program.⁹ Accordingly, the decision in this case is governed by the federal SNAP regulations.¹⁰

SNAP has financial eligibility requirements. For the purposes of this case, the relevant one is that a household is not eligible for SNAP benefits if the countable assets of all household members is greater than \$2,750.¹¹ Funds held in a savings account owned by household members are considered liquid resources.¹² They would be counted as a resource for the household, unless they are specifically exempted from being counted as a resource.

One exemption is for resources that are not accessible to the household.¹³ The facts show that this exemption does not apply because the credit card security agreement can be rescinded and the funds released for use. There is also an exemption for resources of self-employed persons, that are prorated as income.¹⁴ However, there is no evidence in this case that

⁵ Exs. 6 – 6.1.

⁶ See Global Credit Union letter filed by B. T. on June 18, 2023.

⁷ B. T.'s testimony.

⁸ 7 C.F.R. § 271.4(a).

⁹ 7 AAC 46.010.

¹⁰ The applicable regulations are located at 7 C.F.R. § 273.1 *et. seq.*

¹¹ 7 C.F.R. § 273.8(b).

¹² 7 C.F.R. § 273.8(c)(1).

¹³ 7 C.F.R. § 273.8(e)(8).

¹⁴ 7 C.F.R. § 273.8(e)(9).

these funds were prorated as income. In addition, even if the funds qualified as exempt, if they were maintained in a comingled account, that would cause them to lose their exemption status after six months.¹⁵ The security interest in these funds was created in May 2022. Assuming that they qualified for an exclusion due to being self-employment funds, they would have lost that exclusion in November 2022, which predated the application in this case. Consequently, the entire savings account balance was a countable resource for B. T.'s household.

B. T. has the burden of proof in this case by a preponderance of the evidence because the case involves the denial of an application for SNAP benefits.¹⁶ The facts of this case show that she did not meet the burden because when she applied to recertify her household's SNAP benefits in December 2022, her household owned a countable resource, its savings account, with a balance of \$5,002.05. This caused the household to not be financially eligible for SNAP benefits.

IV. Conclusion

The denial of B. T.'s SNAP recertification application is AFFIRMED.

DATED: July 7, 2023.

Signed _____

Lawrence A. Pederson
Administrative Law Judge

¹⁵ 7 C.F.R. § 273.8(g).

¹⁶ 7 AAC 49.135.

Adoption

The undersigned, by delegation from the Commissioner of Health, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 21st day of July, 2023.

By: *Signed* _____
Lawrence A. Pederson
Administrative Law Judge

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