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Congress of the United States
House of Representatives
Washington, DC 20515
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COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON CAPITAL MARKETS AND
GOVERNMENT SPONSORED ENTERPRISES
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SUBCOMMITTEE ON ECONOMIC GROWTH,
TAX AND CAPITAL ACCESS

The Honorable Rick Snyder
Governor
P.O. Box 30013
Lansing, Michigan 48909

Dear Governor Snyder,

I urge you to reconsider the implementation of changes to the Food Assistance Program (FAP) in Michigan regarding vehicle ownership for recipients. I was concerned to learn that as of October 1st, families seeking food assistance in Michigan will now be subject to asset tests on the value of their personal vehicle.

As you know, Michigan is lacking in reliable public transportation. Most families are in situations where one or two household vehicles is a necessity, not a luxury. People need cars to get to work, to seek employment, to transport their children, and to take care of daily necessities. Imposing vehicle value limits may require families to face a choice between eating and finding employment. I am also concerned that the newly unemployed and seniors will be particularly harmed by this policy as they are more likely to own vehicles.

At a time when Michigan's unemployment remains above 11% and one in four children live in poverty, we should not be further restricting access to this important safety net. Because FAP benefits are funded with federal dollars, Michigan will not realize cost savings from this change that will inevitably harm many needy families. However, complicated asset tests and vehicle value limits do present a new burden for state caseworkers which may lead to a higher error rate and increase administrative costs for the State.

Furthermore, asset development has been shown to be one of the surest paths out of poverty, and discouraging savings and assets in assistance programs is counterproductive. Michigan's new policy runs contrary to the national trend where states are removing asset tests, not instituting stricter ones. Nearly every other state in America exempts at least one vehicle entirely in their food assistance programs, and until earlier this month Michigan could be counted among them.

I have introduced legislation in Congress that would strike vehicle asset tests from the federal food assistance statute. As Governor, you play a leading role in the development and implementation of Michigan's food assistance policy and I would welcome the chance to work with you to reach a solution that does not unfairly penalize Michigan families.

Sincerely,



Gary C. Peters
Member of Congress

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