

July 5, 2011

Ms. Lizbeth Silbermann
Director
Program Development Division
FNS
3101 Park Center Drive, Room 810
Alexandria, VA 22302

RE: Support for proposed rules for implementing changes to the asset limit test of the Supplemental Nutrition Assistance Program

Dear Ms. Silbermann,

The Corporation for Enterprise Development is a national, nonprofit organization that works to expand economic opportunities to all Americans. We work with partners, practitioners and policymakers to help families save and build wealth by improving the financial infrastructure and promoting incentives for families to save. As a leader in economic development for more than three decades, CFED firmly believes that providing American households a pathway to financial security and self-reliance through policies, programs and practices should be encouraged.

We support the improvements to the Supplemental Nutrition Assistance Program (SNAP) that was passed in the 2008 Farm Bill that would implement changes to the SNAP asset limit test. We appreciate the changes to the test that would allow recipients to save and build wealth by excluding *all* tax-preferred retirement accounts and college education investment accounts. We are very supportive of these provisions.

Both retirement accounts and college education investment accounts serve as important resources for individuals and households seeking to improve their financial security, education status and economic mobility. We appreciated Congress recognizing that including these accounts in asset limit tests discourages households from saving and investing and leaves families vulnerable to greater poverty.

While we support these changes, we ask the USDA to consider the following recommendations to allow the new regulations to be implemented more smoothly and greater fulfill the intentions of the legislation.

Ms. Lizbeth Silbermann
Program Development Division
FNS
June 30, 2011

Recommendations

1. CFED recommends that the USDA recognize that future college education or retirement accounts may be created by Congress. If that occurs, those new accounts should also be excluded from the SNAP asset limit test. Right now, the proposed rules excludes the following accounts.
 - Retirement Accounts: 401(a), 403(a) and (b), 408 and 408 (A), 457(b) and 501(c)(18)
 - Education Savings Accounts: Qualified tuition programs in section 529 of the I.R.C. and Coverdell Education Savings Accounts in section 530 of the I.R.C.

The USDA should consider its regulations to be open-ended regarding the types of college education or retirement accounts, in the event that Congress or the Internal Revenue Service approves the creation of new tax-preferred savings accounts or recognizes accounts that are currently being used as tax-preferred.

2. CFED recommends that the USDA swiftly releases detailed guidance for implementing these new regulations. We expect that not all households or caseworkers will understand the federal regulations or recognize which investment accounts are exempted.

USDA should issue operational guidance for state agencies and caseworkers so that they may know how to determine the federal tax preference of a financial account, plan or contract agreement and avoid improperly denying eligible individuals or households.

Sincerely,

Carol E. Wayman

Carol E. Wayman
Director of Federal Policy