

2014-2015 Home Energy Assistance Program (HEAP) Heating Equipment Repair and Replacement (HERR) Guide

BENEFIT COMPONENT

Heating Equipment Repair and Replacement (HERR) component benefits are available to provide HEAP eligible households with the cost of repair or replacement of the applicant owned dwelling's primary heating equipment when the equipment has been documented by a participating vendor to be inoperable or unsafe and is in need of repair and or replacement.

Heating Equipment Replacement benefits are also available, under limited circumstances and with medical documentation, to replace systems that are directly detrimental to a household member's health. Documentation must be in writing from a physician and must specify the reason(s) why the current system is directly detrimental to health and safety.

COMPONENT OPERATING DATES

The component will open November 10, 2014. The scheduled closing is March 16, 2015 or until funding allocated to the component is exhausted, whichever comes first.

CERTIFICATION

The Social Services District (SSD) is the sole certifier for this component. The SSD may contract with Alternate Certifiers to assist in the application and outreach process.

Alternate Certifiers may not make final eligibility decisions, contract for work, guarantee benefits or issue notices.

All applications for this component require 100% supervisory review.

TIMEFRAMES and EMERGENCY RESOLUTION

Emergency Resolution Requirements:

- The Heating Equipment Repair and Replacement Assessment Form (LDSS-5010) is available to assist SSDs in assessing an applicant's primary heating equipment emergency situation. SSD are mandated to use this form.
 - The form may be ordered through the forms ordering process or downloaded and printed through E-forms. The form is not a substitute for any other required forms and cannot be used to determine eligibility.
- Appropriate action(s) must be taken to resolve the emergency situation within 18 hours of the **emergency benefit** application date if an eligible household is without heat or within 48 hours of the **emergency benefit** application filing date if loss of heat is imminent.

- Emergency resolution is defined as the action taken to ensure that an eligible household has heat or will continue to have heat.
- The emergency resolution action(s) for those households applying for HERR benefits, where HEAP eligibility is determined, are:
 - The repair or replacement of the heating system within the 18 or 48 hour timeframe
 - Providing access to safe supplemental heat
 - Providing of or access to temporary alternate housing
 - A referral to a community resource
- Resolution must be documented on the Heating Equipment Repair and Replacement (HERR) Worksheet (LDSS-4867).

Work Completion:

- As a general rule, the heating equipment repair or replacement work should be completed within five business days from the authorization by the SSD. Vendors must notify SSDs if they cannot meet these timeframes and provide the reason.

Processing Timeframes:

- Applications for HERR benefits may be pended for information or documentation for no more than a total of ten (10) business days.

Notice Requirements:

- Applicants must be provided with written notice of the eligibility decision for HERR benefits no later than thirty business days **from the date the final vendor invoice for payment was received from the vendor.**

BENEFITS

Repair:

- Repair of essential primary heating equipment is defined for purposes of the NYS HEAP as the labor and materials necessary to restore or fix an eligible household's essential heating equipment to a sound useable condition without the replacement of the heating plant (furnace/boiler). This includes repair or replacement of chimneys or other venting systems and repair or replacement of oil tanks.
- The essential heating equipment repair total benefit is limited to \$3,000 per applicant per HEAP program year.
- In the cases where the cost of repair may exceed or be comparable to the cost of replacement, the SSD should explore replacement. A heating system that requires multiple repairs in a program year, or within the past program year, may warrant the exploration of replacement instead of continued repair.

- All repairs must include the installation of a working carbon monoxide (CO) detector when one is not present, non-operational or the CO detector is over five years old.

Replacement:

- Replacement of essential primary heating equipment is defined for HEAP purposes as the materials and labor necessary to restore and/or fix an eligible household's essential heating equipment to a sound useable condition by removal of an existing heating plant and replacement with a new heating plant. Replacement may also include the repair/replacement of essential heating equipment necessary for the system's safe and proper operation.
- The essential primary heating equipment replacement benefit is limited to **\$6,500**.
- Eligible households may receive one heating equipment replacement benefit within a ten-year period.
- Essential heating equipment may include chimneys, chimney liners or other direct venting systems and oil tanks.
- All replacements must include the installation of a working CO detector when one is not present, non-operational or the CO detector is over five years old.

Work Scope:

- All work, whether repair or replacement, must be approved and authorized by the SSD prior to the commencement of any work.
- Work is limited to the primary heat source. Primary heat source is defined as the equipment used to heat the majority of the dwelling and located inside the dwelling (with the exception of outdoor wood boilers and exterior units that are encapsulated) within the 12 month period prior to the month of application.
- Work is limited to essential components of the primary heating equipment necessary to ensure that the heating system will operate safely and within all applicable State and local building codes.
- Portable space heaters are not considered a primary heat source and are not eligible for repair and/or replacement under this component.
- Repair of the existing inoperable heating equipment must be explored prior to replacement. Replacement of essential primary heating equipment may be explored in situations when a licensed qualified participating vendor provides a written statement documenting the current existing primary heating system is:
 - Inoperable and, or unsafe and the reason why; and
 - Written verification that essential heating equipment cannot be repaired.
- Whenever possible, all replacement furnaces and boilers to be installed must be Energy Star rated or high-efficiency rated at a minimum of 92% efficiency or higher.

- Installation of non-Energy Star rated or non-high-efficiency equipment may only be considered when Energy Star rated or 92% or greater high-efficiency heating equipment cannot be obtained within a reasonable timeframe or when the cost of the Energy Star or high-efficiency heating equipment exceeds the HERR benefit limit of \$6,500.
 - A rating of 83% or above is considered high efficiency for oil Hydronic (boilers) systems.
- All repairs and replacements should, with client consent, include installation of a programmable thermostat.
- Installation or repair of fuel tank gauges should be included as part of the repair of essential equipment if original gauges are faulty or nonexistent.
- All repair and replacement jobs must include the installation, as per manufacturer's specification, of at least one CO detector when one is not present or the CO detector is over five years old.
- At the household's request, inoperable/unsafe primary heating equipment may be replaced with a different type of system if the cost of the alternative system is comparable (defined as \$500 or less) to replacement with the same type of system. The final approval for replacement with a different system type is made by the local SSD.
 - The cost of removal or proper abandonment of the heating equipment in accordance with all State and local codes and regulations must be included in the job scope and cost.
- All repairs or replacements on either State or sovereign lands must be completed to the satisfaction of all State and local codes, in addition to individual sovereign nation's protocols and rules.
- In the case of boilers with frozen pipes, HERR benefits may assist with repairing the sections of piping absolutely necessary for the safe and proper installation and operation of the boiler.

Application Requirements:

- All applicants for HERR benefits must apply in person, including those from TA or SNAP recipients, using the current version of the HEAP application (LDSS-3421).
- The homeowner must be the applicant.
- An in person interview is required for ALL applications.
- Full documentation is required for ALL applications. SSDs should utilize any existing documentation on file with the agency.
- An authorized representative is permitted to apply for HERR benefits on behalf of the homeowner. The authorized representative must provide a written statement signed and

dated by the applicant or the applicant must complete the authorized representative designation section on page 4 of the HEAP Application (LDSS-3421).

- An individual with a Power of Attorney is permitted to apply for HERR benefits. The power of attorney must be documented in writing.
- Reasonable accommodations should be explored with homebound applicants to assist with application requirements.
- If the applicant is eligible for a HERR benefit, the Regular benefit component is open, and the applicant has not yet received a Regular benefit, the SSD must authorize a benefit for both components.

ELIGIBILITY

Income:

- Households must meet the established HEAP income guidelines for the program year to be eligible.
- A household is categorically income eligible only when the applicant homeowner is in active receipt of TA, SNAP or Code A SSI.

Citizenship Requirement:

- The applicant must be a US citizen, US National or meet the qualified alien rules as listed in the HEAP Manual.

Residence and Homeownership Requirements:

- The applicant must be a New York State resident.
- The applicant must have owned the residence for the 12 months preceding the month of application.
- The applicant must be the documented owner of the dwelling. For purposes of the Heating Equipment Repair and Replacement component, ownership is documented by a recorded deed or title. Deeds are recorded on all property transfers. Titles are issued for manufactured homes 1995 or newer. In the case of manufactured or modular homes sold prior to 1995 and which are not titled, applicants must provide a bill of sale in conjunction with supporting documentation listed below.

Ownership MUST be documented by obtaining the following items:

- Single Family Homes:
 - Recorded Deed or
 - Verification obtained through the county's real property tax website.

- Mobile Homes built in 1995 or newer:
 - Title
- Mobile Homes built prior to 1995:
 - Bill of sale or
 - Sales contract PLUS one of the following:
 - Tax Bill/Paid Tax Bill Receipt;
 - Mortgage papers/payment book or loan payment receipts;
 - Mobile Home lot rent receipts/statement from park owner; or
 - Loan papers
- The dwelling must be the applicant's primary dwelling.
- The applicant must have resided in the dwelling for which assistance is being requested for the 12 months preceding the month of application. Documentation includes, but is not limited to: statement from landlord, current rent receipt or lease, mortgage receipts, or two of the following: statement from another person, current mail or school records.
- The applicant must be residing in the household for which assistance is being requested at the time of application for Heating Equipment Repair and/or Replacement benefits.
 - A household that has temporarily relocated due to the lack of heat or unsafe conditions or who meets other HEAP temporary absence rules is considered to meet the residence requirement.
- The applicant must document that the equipment being replaced or repaired has been the primary heating equipment in the dwelling within the 12 month period prior to the month of application.
 - Documentation may include:
 - Fuel delivery slips;
 - Confirmation of delivery and/or payment for fuel;
 - Confirmation through a utility website that the account has been active and gas or electric costs incurred; or
 - Collateral contact with the home energy vendor.
- Life estate and life use are considered ownership unless the deed or life estate contract specifies that the deeded owner, not the individual with life use, is responsible for repairs and/or maintenance. Life use/estate must be either part of the deed or other legal document executed at the time of the original property transfer. Modifications made to meet eligibility requirements do not meet ownership requirements for this component.

Resources:

- All applicants must be resource tested, except those who are in receipt of on-going TA and Code A SSI.
- Only liquid available resources are counted.
- Resources for all household members, as defined by HEAP, must be declared and explored using the Heating Equipment Repair and Replacement (HERR) Worksheet (LDSS-4867).
- All applicants receive a standard resource exclusion of \$3000 in addition to all other applicable exemptions
- The available amount of resources is determined by reviewing the allowable exemptions in the HEAP Manual.
- Applicants who have available liquid resources, after exemptions are applied, that equal or exceed the cost of the repair or replacement are not eligible. If the available resources are less than the cost of the repair or replacement, applicants are required to apply any available liquid resources after exemptions to the cost of the repair or replacement.
 - If the applicant's available resources are less than the cost of the repair or replacement, the resources must be applied to the cost of the repair or replacement.
- Co-Owners Resources:
 - If the dwelling is co-owned and the co-owner(s) does not reside in the dwelling, the SSD must explore the availability of resources and contributions from the co-owner(s). Resources are determined in the same manner as for the applicant; including the standard resource exclusion.
 - Only a prorated share of the repair/replacement cost may be paid with HEAP funds when:
 - The co-owner(s) is not accessible
 - The co-owner(s) refuses to provide documentation of resources, and/or
 - The co-owner(s) has resources exceeding the established limits.
 - The co-owner(s)'s resources are documented in the same manner as the applicant's.

NOTE: The complete cost of the heating equipment repair/replacement is paid by HEAP when both the co-owner(s)'s and the applicant's documented resources are at or below the resource limit.

- When HEAP will only pay a prorated share of the repair or replacement, applicants should be referred to other programs to obtain the balance (TA, community resources, etc.).
- Applications requiring either an applicant or co-owner(s) contribution toward the cost of either a repair or replacement must be permitted ten business days to provide documentation of payment or satisfactory payment arrangements with the vendor. This must be documented with a Documentation Requirements form (LDSS-2642). The emergency resolution timeframes and rules must be followed in these cases.

NOTE: Applicants who are documented victims of domestic violence situations may be exempted from documenting a co-owner's resources.

Other Requirements:

- A participating licensed heating professional provider must document that the applicant owned primary heating equipment is inoperable or unsafe and is in need of repair or replacement.
- The dwelling must be in compliance with local building and safety codes, must not be in condemned status, and must be safe and structurally sound.
- Dwellings with more than two units are not eligible for repair or replacement.

JOB PROPOSAL PROCESS

Payments for Estimate Fees:

- A reasonable cost associated with providing a job estimates or documenting the condition of the system. The additional conditions below also apply:
 - The cost of estimates may only be paid for **eligible** households. SSDs must not incur costs or require applicants to incur costs for estimates prior to the eligibility determination.
 - Estimate fees may only be paid to vendors that are not awarded the repair or replacement job.
- WMS code H0 is used to pay for estimate fees.
- Multiple estimates are not required for repairs that do not exceed \$500.
 - Vendors must request and receive SSD approval prior to commencing any work.
- SSDs with a contracted single source Heating Equipment Repair and Replacement vendor may **not** pay for estimates with program funds.
 - These costs must be part of the contract and must be paid from administrative funding.

Estimate Submission:

- Estimates must include a detailed job scope with labor and materials costs.
- Estimates must be completed based on the requirements of the Home Energy Assistance Program (HEAP) Heating Equipment Repair/Replacement Job Proposal (LDSS-4867A) form and NYS Heating Equipment Vendor Agreement (REV.9/12).
- SSDs should use local procedures for obtaining job proposals for repair and replacement work.
- OTDA recommends that the SSD contract with the lowest qualified bidder, with exceptions made on a case by case basis. Suggested allowable exceptions include: past issues with the job proposals or work of the lowest bidding vendor; inability of the lowest bidder to complete the work within five business days; inability of the lowest bidder to obtain or install Energy Star rated equipment when applicable and customer contracts or long term relationships with a vendor other than the lowest bidder.
- All estimates must be submitted on the current Heating Equipment Repair/Replacement Job Proposal form (LDSS-4867A) and require both vendor and customer signature to attest that the estimate was prepared based on an onsite assessment.
- Estimates that are not based on an on-site assessment are not valid and may not be accepted.
- Only vendors with a signed Vendor Agreement on file with NYS OTDA may perform work.
- OTDA recommends SSDs obtain a minimum of two job proposals, particularly for replacement work above \$3000. Vendors must receive SSD approval prior to the commencement of work.
- SSDs should offer applicants the opportunity to obtain their own job proposals. Vendor lists may be provided to assist applicants. If the applicant declines the offer and requests assistance with obtaining estimates, this should be noted in the case record and the SSD may contact vendors on the applicant's behalf.

PAYMENTS

- Prior to authorizing payment for HERR benefits, SSDs must contact the client to confirm the installation, equipment (thermostats, CO detectors and tank gauges) and operation of the heating unit and the condition of the dwelling upon job completion.
- Prior to authorizing payment for a HEAP prorated benefit, it must be documented that the client and or co-owner(s) share of the cost has been guaranteed or paid, or the client has made satisfactory payment arrangements before the HEAP payment is authorized.
- After work is complete, vendors must submit a final itemized bill, signed by the applicant on company letterhead.

- A copy must be retained in the case record.
- Itemized bills should include the total amount of labor costs, in addition to the amount of the unit.
- A signed company work order stating job completion will suffice if final invoice is not signed.
- Bills must be submitted no later than 15 business days after work completion. SSDs may not pay vendors until the work has been completed, an itemized bill received, and client confirmation of satisfactory work completion has been obtained.
- No pre-payment of benefits or deposits are permitted.
- No New York State sales tax may be charged.
- HERR benefit payments are issued directly to the vendor through New York Office of the State Comptroller (OSC).
- SSDs should make every effort to authorize and pay HERR benefits in a timely manner. It is strongly recommended that SSDs using a two-week voucher review period select payments for HERR benefits for one week processing.

FILE REQUIREMENTS

- All case files must contain the following:
 - A current signed and dated HEAP Application (LDSS-3421), with a completed page six (Agency Use Section).
 - All supporting documentation
 - Heating Equipment Repair and Replacement Worksheet (LDSS-4867)
 - Heating Equipment Repair/Replacement Job Proposals (LDSS-4867A)
 - Heating Equipment Repair and Replacement Assessment Form (LDSS-5010)
 - Final itemized bills which include the customer's signature or signed work order
 - Case notes
- Case records for HERR benefits must be retained for ten years.

CASE SUPERVISORY REVIEW

- All applications for HERR must be reviewed by a county employee at least one level above the county employee certifying the application for assistance.

- SSDs may not use their CSR plans when reviewing HERR benefit applications.

PROHIBITED PAYMENTS

The following circumstances make an applicant ineligible for a HERR benefit:

- The applicant has not owned and resided in the dwelling for the 12 months prior to the month of application.
- The applicant has failed to document that the heating system in need of repair or replacement has been the primary heating system for the 12 months prior the month of application.
- Work that was started or completed prior to the applicant's HEAP eligibility determination.
- Work that was not authorized by the SSD.
- Residences that contain more than two units.
- Heating equipment that is inoperable due to flood, fire, or other natural disasters.
- The applicant's homeowners insurance is available to pay for the repair or replacement.
- The dwelling has been determined to be unsafe, is not habitable, or is out of compliance with building codes and the situation cannot be corrected in a reasonable or cost effective manner in order to ensure safe and healthy habitation.
- Installation of a heating system into a dwelling where one does not exist.
- The applicant's primary heating equipment was replaced using HEAP funds within ten years from the date of application.
- The applicant's dwelling is for sale **and** they have a signed sales contract.
 - The applicant's whose dwelling is in the process of foreclosure will be assessed on a case-by-case basis to determine when and if the premises will actually be vacated by the applicant.
- Parts and labor charged for the repair or replacement of any optional or non-essential heating system components.
- The applicant's roadworthy trailers or mobile homes registered with the Department of Motor Vehicles because they are not considered permanent primary residences.
- The applicant's dwelling which is being purchased through a land contract or those applicants who reside in a rent to own dwelling.

WEATHERIZATION REFERRAL

All households approved for a HERR benefit must be referred to the Weatherization Assistance Program operate through the New York State Homes and Community Renewal (HCR).