
**FOOD STAMP CERTIFICATION
CLAIMS
Claims Discharged Through Bankruptcy**

**FS 855 Claims Discharged Through Bankruptcy
Change #4-2006
August 1, 2006**

855.01 GENERAL POLICY

Program regulations authorize and require the county department to act on behalf of United States Department of Agriculture, Food and Nutrition Service in any bankruptcy proceeding against bankrupt households owing food stamp claims.

855.02 INSTRUCTIONS FOR COLLECTION

- A. Do not initiate further collection action when the agency has verification that a debtor filed bankruptcy, and the food stamp debt was included in the bankruptcy, regardless of the type of claim involved. Collection action includes tax intercept, allotment reduction and offset of benefits. To block recoupment, place "X" in the Appeal Indicator on the Debtor Detail screen in EPICS. Refer to Sections 845 and 850 for instructions on blocking tax intercepts.

If there is any doubt about the status of the filing, consult the appropriate court.

- B. Only criminal court ordered Intentional Program Violation (IPV) claims are exempt and not dischargeable in bankruptcy. However, a bankruptcy order must be honored if a court-ordered Intentional Program Violation is included in the bankruptcy. Advise the bankruptcy court about the circumstances of other IPV claims and defer to the court's determination.
- C. The county department is authorized to act on behalf of Federal and State Agencies and to possess any rights, priorities, interests, liens, or privileges. The county is also entitled to participate in any distribution of assets.
- D. The county department has the power and authority to act on behalf of the Federal and State Agencies and to file objections to discharge, proof of claims, exceptions to discharge, petitions for revocation of discharge, and any other documents, motions, or objections.