**Section 165.50 Suspension and Termination of Food Stamp Claims**

a) If collection action has been initiated and at least one demand letter has been sent, the Department may suspend a claim if:

1) The household cannot be located, or

2) The cost of further collection action is likely to exceed the amount that can be recovered, or

3) The household has initiated bankruptcy proceedings, or

4) The claim is determined to be invalid, or

5) The claim balance is $25 or less and has been delinquent for 90 days or more, unless the total of all claims is more than $25, or

6) All adult household members are deceased.

b) A claim may be terminated as uncollectable if it has been suspended for three years. Suspended claims shall be used by the Department to offset any lost benefits to which a household is entitled. Lost benefits shall be offset until the entire claim is paid off. (See 89 Ill. Adm. Code 121.95 regarding the Restoration of Lost Benefits.)

c) The amount of the claim may be adjusted if upon review the Department believes that the household is not able to repay the claim.

d) A terminated and written off claim will be reinstated if a new collection method or a specific event (such as winning the lottery) substantially increases the likelihood of further collections.

(Source: Amended at 26 Ill. Reg. 400, effective January 1, 2002)