



Food and  
Nutrition  
Service

Park Office  
Center

3101 Park  
Center Drive  
Alexandria  
VA 22302

JUN 06 2016

Ms. Wendy A. Rickman  
Division Administrator  
Iowa Department of Human Services  
Adult, Children and Family Services  
1305 E. Walnut Street  
Des Moines, Iowa 50319-0114

Dear Ms. Rickman:

This is in response to your request of December 9, 2015, to the Food and Nutrition Service (FNS) on behalf of the Iowa Department of Human Services to extend three Supplemental Nutrition Assistance Program (SNAP) Electronic Benefits Transfer (EBT) waivers for the Iowa's EBT contract. We apologize for the delay and appreciate your patience in awaiting a response.

The waivers would allow the State agency to: 1) waive encryption of the Personal Identification Number (PIN) and allow PIN selection through the Automated Voice Response (AVR) system, 2) provide POS equipment only to authorized retailers who have SNAP sales equal to or greater than \$100 per month, and 3) waive the requirement for a retailer adjustment no-hold.

FNS is approving two of the three waiver renewals with conditions attached and with the understanding that the justifications have not changed since the original requests were made.

The renewals are to waive SNAP regulations to:

1. Waive encryption of the Personal Identification Number (PIN) at the point of entry and to allow PIN selection through the Automated Voice Response (AVR); and
2. Waive the requirement that a hold be placed on client accounts when a retailer initiates an adjustment, provide households 15 calendar days to request a fair hearing; and allow 15 calendar days for the State to act on all household debit adjustments.

The State's request to renew the waiver to provide POS equipment only to authorized retailers who have SNAP sales equal to or greater than \$100 per month has expired. FNS is no longer approving this waiver in light of the changes made under the 2014 Farm Bill.

Ms. Wendy A. Rickman  
Page 2

These waivers are approved pursuant to 7 CFR 272.3(c)(1)(ii), which allows FNS to approve waivers that would result in a more effective and efficient administration of SNAP. The attachment enclosed provides the details and conditions of approval.

Please refer to the specific waiver numbers for future reference in any correspondence. If the State intends to implement these waivers changes or if you do not implement a waiver, please let us know as soon as possible, but no later than the implementation date of the upcoming EBT contract.

If you have any questions, please contact Georgina Castillo of the Retailer Management and Issuance Branch at (214) 290-9836 or Philip Fraley in our Mountain Plains Regional Office at (303) 844-0341.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Gold". The signature is fluid and cursive, with the first name "Andrea" written in a larger, more prominent script than the last name "Gold".

Andrea Gold  
Director  
Retailer Policy and Management Division

Enclosure

**WAIVER APPROVAL**  
**Iowa**

**PIN Selection Via Automated Voice Response (AVR)**  
**Regulation: 7 CFR 274.8(b)(3)(ii)(C)**  
**New/Renewal: Renewal**  
**Waiver Reference #2020151**

***Waiver:***

The State agency will provide clients the ability to select a PIN of their choice using an AVR system through the customer service help desk. The process requires entry of the Personal Account Number and verification of the client's identity before a PIN can be selected. Upon verification, the system will prompt the client to select a PIN of their choosing by entering the PIN on a touch-tone phone and then require re-entry of the PIN for confirmation. The PIN must be encrypted upon entry into the AVR system. The client will have immediate or next-day access to their benefits using the new PIN.

***Conditions:***

Consistent with FNS regulations, the State agency must accept liability for any losses resulting from this procedure. This procedure has inherent risks when compared to the encrypted capture and transmission of a PIN from the point-of-entry utilizing PIN select devices. Liabilities may arise in areas such as the replacement of the lost benefits due to an unauthorized transaction, compromise in security, or incorrect identification of the person requesting a PIN via the telephone. We ask that the State Agency keep us informed of any losses or problems resulting from this waiver.

**Retailer Adjustment No-Hold**  
**Regulations: 7 CFR 274.2(g)(2)(ii)**  
**New/Renewal: Renewal**  
**Waiver Reference #2090015**

***Waiver:***

The State agency will act on all household debit adjustments within 15 calendar days and provide households 15 calendar days to request a fair hearing rather than 10 business days. The State agency will also implement an Electronic Benefits Transfer (EBT) adjustment system which does not place a hold on a household's account for the amount of the debit adjustment. Instead, if the household disputes the requested adjustment and requests a fair hearing within 15 calendar days, no further action will be taken to debit the household's account until the fair hearing decision is rendered.

***Conditions:***

The State agency must send a concurrent notice to the household upon receipt of the requested debit adjustment.