
Resources

2280 Resources (04/01/2008, 08-02)

Resources are defined as any assets, other than income, that a Reach Up applicant or member of an assistance group has available to meet need. Such assets generally take the form of real or personal property the applicant or participant owns individually or jointly with other persons.

The Department shall evaluate the total equity value of all resources, except items specifically excluded, to establish their combined value for comparison with the resource limitation below. When a member of the assistance group and one or more persons who are not members of the same assistance group own resources jointly, the department shall consider at least a pro rata share of the resources available to the assistance group unless the assistance group can demonstrate that such resources are inaccessible to the assistance group. When the assistance group can demonstrate that it has access to only a portion of the resource, the value of that portion shall count toward the assistance group's resource limitation. The resource shall be considered totally inaccessible to the assistance group if the resource cannot practically be subdivided and the assistance group's access to the value of the resource is dependent upon the agreement of the joint owner.

When a member of an assistance group receives any liquid asset during a period of Reach Up participation (including periods of participation with zero benefits) and the asset is not otherwise excluded from consideration as income or resources in the determination of eligibility for Reach Up the department shall treat the asset as Lump Sum Income subject to the regulations under that heading. This includes liquid assets obtained as a result of the sale of a non excluded or excluded resource unless the participant acquired the resource while not participating in Reach Up.

The department shall disregard from the combined resource limitation any portion of a bank account, cash on hand, or other liquid asset, that an applicant or participant has set aside for currently incurred expenses, such as property taxes or fire insurance premiums, included in the family's Reach Up basic needs and housing allowance for which payment is not yet due. The department shall disregard from the combined resource limitation an amount equal to the applicant or participant family's monthly income if it is established that this income constitutes cash on hand or money in a checking account to be used to meet current monthly expenses.

Future or potential resources shall be identified and developed, when feasible, (see Potential Income and/or Resources). Assistance needed, based on currently available resources, shall, however, continue until such resources become, in fact, available.

Combined Resources Limitation

2281 Combined Resources Limitation (04/01/2008, 08-02)

The maximum allowable resources, including both liquid and non-liquid assets, of all members of the household shall not exceed \$2000 for the household.

The total equity value of all real and personal property, except excluded items, may not exceed the above amount.

Transfer or Assignment Prohibited (07/01/1994, 94-12)

Any individual who, or whose spouse, has voluntarily assigned or transferred property or income for the purpose of qualifying him/her for such assistance or for a larger amount than that to which he would otherwise be entitled is disqualified. Property affected includes any or all real or personal property subject to consideration as total resources subject to limitation.

Property transfers which occurred more than two years before the date of application for assistance shall not affect eligibility; this time interval affords reasonable presumption that such transfer was not made contrary to regulation.

Property transfers which occurred less than two years before the date of application for assistance shall not disqualify the individual if:

- A. Apparent or stated reason(s) for transfer, supported by adequate facts, establishes, that the transfer was not made solely to qualify for assistance (e.g., needed income, relief from excessive property costs and/or upkeep responsibilities, foreclosure imminent, etc.).
- B. Applicant received fair market value and remaining proceeds are within resource limitations.
- C. Applicant's equity in property at the time of transfer to a legally liable relative has been exhausted on applicant's/recipient's behalf, as demonstrated by expenditures by the relative to equal such equity for any one or more of the following:
 1. Medical care (physician, hospital, nursing home, medications, health insurance, etc.).
 2. Funeral expenses of deceased spouse (including cemetery lot, perpetual care, marker and/or monument).
 3. Property taxes, mortgage payments, property insurance.
 4. Cost of maintaining applicant's home (shelter, including normal repairs but not extensive improvements, and cost of basic requirements of food, clothing, incidentals, fuel, utilities, etc., according to department standards).
 5. Cost of maintaining applicant in the relative's home (shared household expense, room and board or custodial care, according to department standard).

If the applicant cannot establish eligibility by facts supporting use of his/her equity, he/she may qualify by having the property reconveyed to him/her for consideration as an available resource.

2281.2 Property Sales (10/01/1990, 90-35)

- A. Lump sum settlement from sale of real or personal property owned by a Reach Up assistance group member during a period of receipt of Reach Up benefits generally has the effect of

Combined Resources Limitation

converting an excluded asset to a liquid asset subject to the Lump Sum Income policy. Note that per that policy, if the real or personal property was acquired when the individual was not in receipt of Reach Up benefits, it is not considered a windfall payment but instead treated as a resource (see Excess Resources). An exception is a recipient who sells real property, used and occupied as the permanent home, shall be permitted to retain the net proceeds from that sale for a period not to exceed 90 days providing that:

1. Net proceeds are held in trust; and
 2. The plan is to use these proceeds for purchase or construction of another home; and
 3. The recipient certifies that the money will be held in trust only for the purpose of obtaining another home.
 4. If at the end of the 90 day period there is no agreement to purchase another permanent home (which shall be occupied within 60 days from date of agreement) or to construct a home (which shall be completed and occupied within twelve months from date of agreement), the trust is subject to the Lump Sum Income policy.
- B. A time payment contract on any real or personal property is treated as income and the balance of equity remaining from the mortgage is not considered a resource.

NOTE: The client retains the option of selling the mortgage, or accepting a lump sum settlement (see A. above) which is subject to the Lump Sum Income policy.

2281.3 Excess Resources (07/01/2001, 01-06F)

Any resources in excess of the allowable maximum and not treated as lump sum income (rule 2270.1) shall be considered available to the assistance group for use.

An assistance group shall become ineligible until such excess is exhausted. If the excess, however, is equal to or exceeds the grant amount that the assistance group would receive, the assistance group is ineligible for a period of 30 days or until resources fall below the maximum, whichever is longer.

Real Property

2282 Real Property (03/01/2017, 17-02)

Real property is defined for purposes of public assistance eligibility as land or property (i.e. buildings) affixed thereto. All mobile homes shall be considered "real" property.

Real property owned, used and occupied as a home by the applicant or recipient or spouse or minor child(ren), regardless of value shall be excluded from combined resources subject to limitation.

The value of the applicant's or recipient's equity in real property which is owned, but is not being occupied as a home by the applicant or recipient or spouse or minor child(ren), may be excluded from the total combined resources for a period of up to 6 months provided the family is making a good faith effort to sell the property. Assistance paid during this period shall be considered an overpayment, since Reach Up would not have been granted had the owner had the proceeds of the sale in hand. The recipient must agree that the proceeds of the sale shall be used to repay the Reach Up paid. The balance shall be counted as a resource.

If at the end of six months the property has not sold, and the recipient continues to demonstrate a good faith effort to sell, the equity may be excluded from resources for a further period of 3 months with the approval of the District Director. At the end of that time the equity in the property, if still unsold, must be considered as a resource.

When an applicant or recipient and eligible child(ren) are temporarily living at a location other than property owned, and that property was previously used and occupied as their home, expenses necessary to maintain their former home for their return shall be allowed in accord with "temporary absence". (rule 2264) When absence continues beyond six months, exemption of the property as "a home" must be re-evaluated in light of the circumstances precluding their return to the home and the expected duration of their absence from the home.

For treatment of any real property which is transferred, see "Transfer or Assignment Prohibited" (rule 2281.1).

INTERPRETIVE MEMO

Reach Up Rule Interpretation

Reach Up Procedure Interpretation

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory rule with a later date.

Reference 2283.1 Date of this Memo 08/26/1992 Page 1 of 1

This Memo: is New Replaces one dated _____

QUESTION: Are loans counted as income or resources or can they be excluded?

ANSWER: Bona fide loans regardless of purpose shall not be considered to be income or a resource available to the household. A loan shall be considered bona fide if it is from an establishment or individual that is in the business of making loans and is evidenced by a written agreement to repay the money within a specified period of time.

If obtained from an establishment or individual not normally engaged in the business of making loans, evidence that the loan is bona fide would be provided by a written agreement between the parties to the loan that specifies a timetable or plan for repayment.

A loan is considered bona fide even if it is repaid without interest or was obtained without being secured with collateral.

Grants, such as scholarships, obtained and used, regardless of source, for a specific purpose which precludes their use for current living costs continue to be excluded.

Personal Property

2283 Personal Property (01/01/1984, 83-61F)

Personal property includes all liquid or non-liquid assets, other than real property.

In cases where payments are being received on notes and mortgages according to a time payment contract and are being considered as income, it is not necessary for the client to agree to convert to liquid assets, although that option is available.

If payments are not being made on a time contract and steps are not being initiated to foreclose, the entire equity remaining in a mortgage shall be considered as a resource. If such resource exceeds the maximum allowable, the case will be closed.

2283.1 Liquid Assets (11/01/1984, 84-54F)

Liquid assets are defined as cash or assets which can readily be converted to cash. Examples include: bank accounts (savings or checking); postal savings; credit union or building and loan shares; contents of safe deposit boxes; savings bonds; stocks and other securities; notes or mortgages payable to the applicant/recipient; etc.

Interest on savings accounts shall be considered only at time of initial application and at each regularly scheduled review. In those cases where resources are close to the maximum allowed, up-to-date verification of accrued interest shall be required. If, at time of review, recipient has excess resources, the recipient will be determined ineligible until excess resources have been used to meet need.

Stocks, bonds (including savings bonds) and other securities shall be evaluated at the current market or redemption value.

The principal due on outstanding notes and/or mortgages payable to an applicant/recipient and/or spouse shall be considered.

Loans and grants (such as scholarships) obtained and used, regardless of source, for a specific purpose which precludes their use for current living costs shall be excluded.

Trust funds - Trust Accounts (11/01/1984, 84-54F)

Evaluation of trust funds or trust accounts shall take into account the terms of the trust. The value of principal which can be made immediately available to the applicant/recipient and/or spouse shall be considered. The value of principal which cannot be made available shall be excluded; however, any special provisions for use of principal (such as payment of medical expenses, upkeep of property, etc.) shall be evaluated as a future or potential resource, including but not limited to recovery potential. It is also necessary to take into consideration the value and possible use of interest accruing from trust funds. Unless prohibited by terms of the trust, accrued interest shall be considered as income in the month received and a resource thereafter.

Burial Plots - Funeral Agreements (11/01/1984, 84-54F)

One burial plot for each individual in the Reach Up unit may be excluded as a resource. One funeral agreement per member may also be excluded provided the equity value of the agreement does not exceed \$1500.

Personal Property

2283.4 Pension Funds (07/01/2001, 01-06F)

Pension funds and annuities must be included as a family resource unless the applicant or participant can demonstrate that these funds are not and cannot be made available to the family. This includes funds held in Individual Retirement Accounts (IRA's) and in Keogh plans, provided there is no contractual relationship that involves the individual with someone outside the household. In counting resources of households with IRA's or Keogh plans, the total cash value must be counted minus the amount of penalty, if any, for early withdrawal.

2283.5 Vehicles (07/01/2001, 01-06F)

A vehicle is defined as a passenger car, truck or jeep, motorcycle, camper, van, snowmobile or boat that is stored on blocks or is operable (i.e., includes all major operating parts, such as engine, transmission, wheels, steering mechanism, etc.).

A nonoperable vehicle minus operating parts is considered junk and thus does not come within the definition of a vehicle; however, the salvage value of a junked vehicle may represent a substantial resource requiring individual evaluation.

The equity value of one operable motor vehicle per assistance group with one adult (rule 2301) and of two operable motor vehicles per assistance group with more than one adult is excluded as a resource. In situations where the assistance group owns additional vehicles, the applicant or participant shall identify each vehicle to be excluded. The equity value of all remaining vehicles owned by members of the assistance group, unless otherwise excluded, must be counted towards the resource limitation. Equity value equals fair market value minus debt owed.

If a vehicle excluded under this provision is sold and then replaced within 30 days of the date of the sale with another vehicle, the proceeds from the sale will be disregarded as a resource during this 30-day period.

To determine the fair market value of all countable vehicles, see Procedures, P-2211.

In situations where the applicant or participant disagrees with the determined value of the vehicle being considered, a written appraisal of the value submitted by a licensed dealer will be accepted.

Income-Producing Property (07/01/2001, 01-06F)

Personal property used as a means of livelihood (i.e., to produce income) is excluded from total value of combined resources (rule 2284).

Income-producing property may include vehicles, tools, livestock, equipment, machinery and similar goods owned, usually in quantities beyond the customary needs of normal living, and in fact, used by members of an assistance group to produce income for support of the group. This may include income-producing property owned by a participant who is currently unemployed, but can reasonably be expected to return to work. If, however, there is no expectation that the participant will return to work, at least in that particular field, then the personal property shall be considered as a resource (rules 2281.2 and 2282).

Excluded Resources

2284 Excluded Resources (07/01/2001, 01-06F)

The following items are excluded from consideration to determine total resources:

- A. Real property owned, used and occupied as a home by applicant or recipient or the spouse of an applicant or recipient.
- B. Equity value in real property owned but not occupied as a home by an applicant or recipient for a certain period of time when a good faith effort is being made to sell (rule 2282).
- C. Basic items essential to day to day living such as clothes, furniture and other similarly essential items of limited value.
- D. Personal property used to produce income (rule 2283.6).
- E. The value of the coupon allotment under the Food Stamp Act of 1964.
- F. The value of the U. S. Department of Agriculture donated foods (surplus commodities).
- G. Any resources held by a recipient of SSI/AABD.
- H. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- I. Grants or loans to any undergraduate student for educational purposes which are made or insured under any program administered by the Commissioner of Education, or any grant or loan which is made for educational purposes and the sponsor of such grant or loan precludes the use of such funds for maintenance purposes. All resources remaining from student grants, loans, or work/study if:
 - 1. Such loans or grants are made under a program administered or insured by the U. S. Commissioner of Education, or
 - 2. The sponsor of the grant or loan precludes its use for maintenance purposes, or
 - 3. The work/study program is administered by the college or university in which the undergraduate student is enrolled.

Examples of excludable resources include: Basic Educational Opportunity Grants, Vermont Student Assistance Corporation grants or loans, National Direct Student Loans, Senatorial Scholarships, Supplemental Educational Opportunity Grants, and College Work Study Program income.

- J. One burial plot for each individual on the grant and one funeral agreement per individual (rule 2283.3).
- K. Any amount of renters' or property tax rebate excluded from income under rule 2270.1 and set aside for the purpose of using it to pay rent or property taxes due within 12 months of the assistance group's receipt of such rebate.
- L. Payments to persons of Japanese or Aleut ancestry as restitution for injustices suffered during the Second World War.
- M. Vermont and Federal earned income tax credits (EITC), whether received with each pay check or as a refund following the end of the tax year, are excluded as a resource in the month in which they are received and in the following month. They continue to be excluded in subsequent months, subject to the criteria for assets accumulated from subsidized or unsubsidized earnings in (O) below.

Excluded Resources

- N. Payments made from the Agent Orange Settlement Fund or any other fund established because of the Agent Orange product liability litigation, retroactive to January 1, 1989.
- O. The value of assets accumulated from the subsidized or unsubsidized earnings of adults and children in participating families is excluded for the purposes of determining continued eligibility. Interest earned on excluded assets is also excluded. Nonliquid assets, purchased with savings from earnings or with a combination of savings from earnings and other excluded income or resources, such as SSI/AABD retroactive benefits or federal earned income tax credit lump sum income, are excluded.

Liquid assets excluded under this policy must be kept in a separate bank account from other liquid assets, unless to do so would create a hardship. A hardship exists when there is no bank within a reasonable distance from the earner's residence or place of work that allows a bank account without charging fees.

If a family reapplies for assistance after Reach Up terminates, assets accumulated during the time the family was not participating in Reach Up are excluded, provided that all other criteria specified for exclusion are met.

- P. Payments made pursuant to the Radiation Exposure Compensation Act (Public Law 101-426).
- Q. Payments made under Indian Trust Funds Acts (Public Laws 97-458 and 98-64) and initial purchases made with such funds by the original recipient of the funds.
- R. Interest held in a trust or in restricted lands pursuant to section 8 of Public Law 93-134 and up to \$2,000 annual income received from the lease or other uses of the individually-owned trust or restricted lands.
- S. Distributions made under Public Law 100-241 which amended the Alaska Native Claims Settlement Act as follows:
 - 1. cash, including cash dividends on stock received from a Native Corporation, to the extent that it does not, in the aggregate, exceed \$2000 per individual per calendar year; or
 - 2. stock, including stock issued or distributed by a Native Corporation as a dividend or distribution on stock; or
 - 3. a partnership interest; or
 - 4. land or an interest in land, including land or an interest in land received from a Native Corporation as a dividend or distribution on stock; or
 - 5. an interest in a settlement trust.
- T. Payments made pursuant to the Maine Indian Claims Settlement Act of 1980 to a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians.
- U. Payments made to a member of the Aroostook Band of Micmacs pursuant to the Aroostook Band of Micmacs Settlement Act.
- V. Student financial assistance provided under the Carl D. Perkins Vocational and Applied Technology Education Act is disregarded as income or resources when the assistance is made available to meet attendance costs. Attendance costs include:
 - 1. tuition and fees normally assessed a student carrying the same academic workload as the applicant/recipient as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study as the applicant/recipient; and

Excluded Resources

2. an allowance for books, supplies, transportation, dependent care and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.
- W. Student financial assistance provided under Title IV of the Higher Education Act or under Bureau of Indian Affairs student assistance programs.

Examples of student financial assistance authorized by Title IV of the Higher Education Act are:

- Pell Grants;
 - Supplemental Educational Opportunity Grants (SEOG);
 - State Student Incentive Grants (SSIG);
 - College Work-Study (CWSP);
 - Guaranteed Student Loans (or GSLP including PLUS loans and Supplemental Loans for Students); and
 - Perkins Loans (formerly National Direct Student Loans). These are different from loans under the Carl D. Perkins Vocational and Applied Technology Education Act, (see #22 above).
- X. Financial assistance, paid through the Disaster Relief Act of 1974 as amended by Public Law 100-707 in 1988, provided as major disaster and emergency assistance is excluded both as income and a resource in determining eligibility or benefit levels. This disaster coverage is intended to provide relief to people living or working in an area severely struck by natural or manmade disaster. The disaster must have been so severe as to cause the President to designate a Federal Disaster Zone. Additional relief provided under these circumstances by States, local governments and disaster assistance organizations is also excluded.
- Y. German reparations to concentration camp survivors, slave laborers, partisans, and other victims of the Holocaust.
- Settlement payments to victims of Nazi persecution or their legal heirs resulting from the confiscation of assets during World War II.
- Z. Loan value and cash value of whole life insurance.
- AA. Savings from earned income, matching dollar contributions, and accumulated interest deposited in Individual Development Accounts (IDAs).