SNAP Resources

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Overview

This chapter describes how resources are used when determining eligibility. The first sections explain resources limits and countable resources, including whose resources to consider, what resources to consider, and how to handle jointly owned resources.

The next section is an alphabetical listing of excluded resources, followed by a section on how to treat vehicles. The penalties for deliberately transferring resources in order to qualify for SNAP are in the last section of the chapter.

Resource Limits

Legal reference: 7 CFR 273.8(b) and (c), 441 IAC 65.30(2)

Except for categorically eligible households, households are not eligible for SNAP if all countable resources total more than:

- $4,500 for all households with one or more eligible members who are disabled or aged 60 or older. (If the only member disabled or aged 60 or older is a disqualified member, the limit is $3,000.) See 7-A, *Disabled Member*.
- $3,000 for all other households.

Resource limits do not apply to categorically eligible households. See 7-C, *Categorical Eligibility*, for information on categorical eligibility.

Households cannot have countable resources over the applicable limit unless the household is categorically eligible.

All households who were previously disqualified for receiving substantial lottery or gambling winnings remain ineligible until they meet the resource limits listed above. Categorical eligibility cannot be applied to these households until they have regained eligibility based on regular resource limits.

Countable Resources

Information about determining what resources are countable is organized into the following sections:

- Whose resources to count
- What resources to count
- Verifying resources
- Joint ownerships

Whose Resources to Count

Legal reference: 7 CFR 273.1(a) and (b), 273.8(i), 273.11(c) and (d); 441 IAC 65.30(3)

Count the resources of the following people as being entirely available to the eligible household:

- All eligible members of the household who do not receive FIP or SSI. The policy in *7-C, FIP and SSI Households* describes when FIP or SSI benefits are considered to be received.
- The portion of an alien's sponsor and sponsor's spouse that is attributed to the alien. See 7-I, *Sponsored Aliens*.

Resource policies apply the same to an ineligible member's resources as they do for eligible members. Resources that are excluded for eligible household members are also excluded for ineligible members.

Count the entire value of the following ineligible members' resources towards the eligible household's resource limit:

- Ineligible aliens. See 7-I, *Households with Alien Members*.
- Ineligible ABAWDS. See 7-I, *Able-Bodied Adults Without Dependents (ABAWDS)*.
- People disqualified for intentional program violation. See 7-J, *Intentional Program Violation*.
- People disqualified for failure to provide a social security number. See 7-C, *Social Security Numbers*.
- People disqualified for failing to comply with a mandatory work registrant requirement. See 7-C, *Work Requirements for MWRs*.
- Probation or parole violators and fleeing felons. See 7-I, *Fleeing Felons and Parole and Probation Violators*.
- Residents of institutions. See Chapter 7-C, *Residents of Institutions*.
- NAC matched individuals who fail to respond to the NAC match at application, recertification, or the addition of a new household member. See 7-I, *Ineligible Aliens, Ineligible ABAWDs, SSN Disqualifications, NAC Match Disqualifications*.

For households living in a shelter for battered women and children, see Inaccessible Resources.

Do **not** count the resources of the following people as being available to the eligible household:

- Anyone who receives FIP or SSI. To determine when to consider FIP or SSI benefits as received, see 7-C, *FIP and SSI Households*.

> Mr. and Mrs. A have two children. Each child owns several savings bonds. The cash value of the savings bonds is $1,000 for each child. One of the children receives SSI. The household has no other resources. Do not count the $1,000 cash value that is owned by the child who is an SSI recipient. The A household has $1,000 in countable resources.

- Ineligible students. (See 7-I, *Students*, for who is an ineligible student.)
- Boarders who are not included in the SNAP household. (See 7-I, *Boarders*.)
- Roomers who do not buy and fix food with the household. (See 7-C, *Nonmandatory Members*.)
- Live-in attendants who are not included in the SNAP household. (See 7-C, *Nonmandatory Members.*)
- Other people who live with the household, but are not mandatory household members and do not buy and fix meals with the household. (See 7-C, *Household Composition*.)

What Resources to Count

Legal reference: 7 CFR 273.8(c)

Count all liquid and nonliquid resources towards a household's applicable resource limit, unless listed under Excluded Resources. Money cannot be counted as both income and a resource in the same month.

Liquid Resources

Legal reference: 7 CFR 273.8(c), 273.9(c)(9)

Liquid resources are those resources the household can easily convert to cash. Examples include:

- Cash on hand
- Checking accounts
- Savings accounts
- Current market value of stocks and bonds
- Certificates of deposit
- Gift cards that are not store-specific, which can be spent like cash and used anywhere

Nonliquid Resources

Legal reference: 7 CFR 273.8(c)

Nonliquid resources are resources that cannot be easily converted to cash. Examples include:

- Personal property
- Land
- Buildings
- Vehicles
- Recreational property
- Other property not listed under Excluded Resources

Nonrecurring Lump Sum

Legal reference: 7 CFR 273.8(c)

Count nonrecurring lump sums as a resource unless excluded by federal law. See Other Excluded Federal Payments. For examples of nonrecurring lump sums, see 7-E, *Types of Income: Lump Sum (Nonrecurring)*.

Recreational and Vacation Property

Legal reference: 7 CFR 273.8(c)

Count the equity value of property primarily used for recreational or vacation purposes. Examples of recreational and vacation property are:

- Canoes, rowboats, or kayaks
- Travel trailers and nonmotorized campers
- Vacation homes
- Mobile homes used for vacation or recreational purposes

Motor homes are not treated under this policy. Motor homes are vehicles. See the Vehicles policy later in this chapter.

Verifying Resources

Legal reference: 7 CFR 273.2(f)(2), 273.8(b)

Ask for verification of any questionable resources. Examples of sources of verification are bank statements, statements from realtors, records from the county assessor's office, and real estate broker listings. (To verify the value of a vehicle, see Vehicles.)

If you think a payment may be excluded as a resource due to its funding source, contact the agency that issued the payment. Ask the agency for the source of the funding.

Document the amount of the household's countable resources in the case record. Give enough detail to support the basis of the eligibility decision.

Joint Ownership

Legal reference: 7 CFR 273.8(d), 441 IAC 65.30(234)

Determine what share of a jointly owned resource is owned by the client. Count the client's share towards the household's resource limit, unless:

- The household can establish that all or part of the resource is not available, in which case count only the part that is available to the household; **or**
- The resource cannot be divided, and the household's access to the resource depends upon the approval of the joint owner who will not allow the household access to the resource; **or**
- The resources are jointly owned by people living in a shelter for battered women and children and a person still living in the abuser's household, and the resources are controlled by the person still living in the abuser's household.

When a resource is jointly owned by two or more persons, assume that each person owns an equal share, unless this was not the intent of the people who own the resource. This includes resources jointly owned by a FIP or SSI recipient and a person who is not a FIP or SSI recipient. In this situation, do not count the share of the resource that belongs to the FIP or SSI recipient towards the household's resource limit.

1. Ms. J gets SNAP benefits separately from her roommate Ms. B. They have a joint checking account with a $3,000 balance. Ms. B is a FIP recipient. Ms. J is not. The intent of Ms. J and Ms. B is that half of the money in the checking account belongs to each person. $1,500 counts towards Ms. J's resource limit.
2. Ms. W, age 56, is legally blind. She lives alone and buys and fixes her own meals, but she is no longer able to see well enough to write personal checks. Ms. W's daughter, Ms. F, writes the checks for her mother, so Ms. F's name is on the checking account. This account is not considered to be a resource to Ms. F, because the intent of the relationship is that the money is to be used exclusively for Ms. W.

A vehicle is jointly owned whether the words "and" or "or" appear on the registration or title. Both people own the vehicle equally unless that is not the intent of the owners. To determine the value of a jointly held vehicle, follow the policies under Vehicles later in this chapter.

Commingled Funds

Legal reference: 7 CFR 273.8(f)

When excluded funds are commingled in an account with countable funds, the excluded funds retain their exclusion for six months from the date they are commingled, with the exception of:

- Income that has been prorated, such as self-employment. This type of prorated income remains excluded as a resource for the entire period of time it is prorated. See 7-I, *Self-Employed Households*.
- Earned income tax credits (EITC). EITC is excluded for a specific period of time, regardless of whether the money is commingled in an account with countable funds. See Earned Income Tax Credits (EITC) for the period of time that EITC is excluded.

Determining the Equity Value of a Resource

Legal reference: 7 CFR 273.8(c)

Count the equity value of countable resources toward a household's applicable resource limit. The equity value of a resource is the fair market value minus the amount owed on the resource.

See Vehicles later in this chapter for information on determining the resource value of vehicles.

Excluded Resources

Legal reference: 7 CFR 273.8(e)

Some resources are always excluded in determining SNAP eligibility.

Achieving a Better Life Experience (ABLE) Accounts 7 CFR 273.8(e)(2)(ii)	Exclude the value of ABLE accounts, which are tax-favored savings accounts established to provide secure funding for disability-related expenses.
Burial Plot 7 CFR 273.8(e)(2)	Exclude one burial plot for each household member.
Burial Trusts 7 CFR 273.8(e)(2)	See Funeral Agreements.

Cafeteria or Flexible Benefit Plans
7 CFR 273.8(e)(2)

Exclude the value of a cafeteria plan to the extent that the household cannot withdraw funds.

Some employers offer employees “cafeteria plans” or “flexible benefit plans.” Under these kinds of plans, the household has the employer withhold money and pay certain expenses such as child care and medical expenses as vendor payments to third parties when the expenses are incurred. Under most of these plans, the household cannot withdraw any of the money and if any amount is left over at the end of the year, the household loses the money.

Conservatorship Funds
7 CFR 273.8(e)8

Treat conservatorship funds the same as an irrevocable trust in determining whether the funds are accessible. See Trust Funds.

Crime Victims Payments
Public Law 103-322

Exclude payments from a crime victim compensation program that is funded under the Victim’s of Crime Act of 1984.

Current Month’s Income
7 CFR 273.8(e)

Exclude a household’s income for the current month as a resource even if deposited into a checking or savings account. The current month’s income is counted as income not a resource.

To determine resources when processing an application, subtract all income actually received (net income) in the month, up to and including the date of interview, from countable liquid resources as of the date of interview.

> Household P has $900 in a savings account and $900 in a checking account (total resources = $1,800). The household received $400 in wages during the current month. This amount is excluded, leaving $1,400 in countable resources.

Deferred Compensation Plans
7 CFR 273.8(e)(2)

See Pension Plans and Retirement Accounts.

Disaster and Emergency Assistance Payments
Public Law 100-707, Section 105
7 CFR 273.8(e)(7)

Exclude any disaster and emergency assistance payments as provided under the Disaster Relief Act of 1974, and amended by Public Law 100-107, the Disaster Relief and Emergency Assistance Amendments of 1988. This applies to:

- Federal assistance provided to persons directly affected and to comparable disaster assistance provided by states, local government, and disaster assistance organizations. Examples are HUD payments through the Individual and Family Grant (IFG) program and Small Business Administration disaster loans or grants.
- Government money the household receives to fix a home damaged by a disaster, if the money must be used for its intended purpose to avoid legal sanction.
- Disaster unemployment benefits provided under the 1988 amendments to the Disaster Relief Act of 1974. Under this Act, unemployment benefits are provided to persons who are out of work due to a major disaster, including self-employed persons and others who are not covered under regular unemployment insurance benefits.
- Payments provided by the Federal Emergency Management Agency (FEMA), including payments from the Individual and Family Grant Assistance payments made under Section 408 of the Disaster Relief Act of 1974.

Earned Income Tax Credit (EITC)
7 CFR 273.8(e)(12)
Public Law 111-312

Exclude for 12 months all EITC payments received as part of a federal tax refund between January 1, 2010, and December 31, 2012, as directed by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P. L. 111-312).

For EITC payments not excluded by that law:

- Exclude federal EITC payments for the month of receipt and the next month, if the person was not getting SNAP at the time of receipt.
- Exclude federal, state or local EITC payments for up to 12 months from the date of receipt if the person was getting SNAP at the time of receipt. Apply the exclusion as long as SNAP participation continues, up to a maximum of 12 months.

  NOTE: The exclusion ends if there is a break in participation of more than one month.

Education Accounts
Public Law 110-246, Section 4104(b)

Exclude funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell Education Savings Account under section 530 of the Internal Revenue Code. Examples are the College Savings Iowa 529 Plan, other states' 529 plans, and Coverdell accounts (sometimes referred to as Coverdale).

Money that a household puts into regular accounts that do not receive tax-preferred treatment is not excluded.

Education Assistance
441 IAC 65.30(5)

See 7-I, *Students: Resources*.

Energy Assistance Payments
7 CFR 273.8(e)(14)

Exclude payments funded through the Department of Health and Human Services Low-Income Energy Assistance Program.

Funeral Agreements
7 CFR 273.8(e)(2)

Exclude the value of one funeral agreement, such as a burial trust or funeral contract, per household member.

Gift Cards (Store-Specific)
7 CFR 273.8(e)(2)

Exclude the value of store-specific gift cards.

Homestead
7 CFR 273.8(e)(1)

Exclude the home the household lives in and the surrounding property. This exclusion also applies when the household intends to return but is temporarily away from home because of:

- Employment.
- Training for future employment.
- Illness.
- Conditions that made the home and lot uninhabitable due to a casualty or natural disaster.

For the purposes of this exclusion, "surrounding property" is property that the house is on and all other property that is not separated by property owned by someone else. If the household's property is separated by a public road or other right-of-way, exclude the household's property that lies on both sides of the public road or right-of-way.

Homestead (Cont.)

When property owned by someone else divides the household's property, count that part of the household's property that is separated from the home and lot by the other person's property.

Exclude the value of a partially completed home, unless the household owns or is buying a home elsewhere. Exclude only one home at a time, unless the additional home is excluded for a reason listed somewhere else in this chapter.

Exclude the value of a lot upon which the household is planning to build, if the household does not already own or is purchasing a home.

A household may own two houses that are located on contiguous property. Unless the second home is excluded under another policy in this chapter, exclude only the home the household lives in and all surrounding property that is not separated from the home by property owned by others.

Buildings, other than homes, on contiguous property are excluded even if they could be rented.

Household Goods and Personal Effects
7 CFR 273.8(e)(2)

Exclude the value of household goods and personal effects without regard to their value. "Household goods" are items used in and about the house in connection with home occupancy. They are items used to maintain the home as well as to accommodate, comfort and entertain the occupants.

"Personal effects" are the belongings of household members, including items like clothing, books, grooming aids, jewelry, hobby equipment and similar items.

HUD Family Self-Sufficiency Program
7 CFR 273.8(e)(8)

Funds held in a family self-sufficiency escrow account are excluded as long as they are held in the account. When a family self-sufficiency escrow account is released to a household, see Nonrecurring Lump Sum in this chapter.

Inaccessible Resources
7 CFR 273.8(e)

Do not count resources that are inaccessible to the household. Examples of inaccessible resources include:

- Security deposits on rental property or utilities.
- Property in probate.
- The unpaid portion of loans owed to a household.

Inaccessible Resources (Cont.)

- Real property that the household is trying to sell at a reasonable price but is still unsold. To verify that a property is being sold at a reasonable price, use collateral contacts and documentation such as newspaper ads or real estate broker listings.
- Resources of a person who lives in a shelter for battered women and children if access depends on the agreement of a joint owner who still lives in the abuser's household.
- Certain trust funds. (See Trust Funds, later in this chapter.)
- Any resource which, if sold or otherwise disposed of, would produce a profit of $1,500 or less after the estimated costs of sale or disposition. This exclusion does not apply to stocks, bonds or other negotiable financial instruments.

Indian Gambling Operations
7 CFR 273.8(e)

Indian gambling operation payments when made to children are generally placed directly into an inaccessible trust. The amount held in the inaccessible trust fund is excluded as a resource.

Indian Tribal Land
7 CFR 273.8(e)(10)

Exclude land that is held jointly with the tribe or land that can only be sold with the approval of the Bureau of Indian Affairs.

Indian Tribal Judgment Funds
7 CFR 273.8(e)

Indian tribal judgment payments come from funds distributed as a result of judgment awards from breaches of treaty provisions and funds held in trust by the Secretary of the Interior from the sale or lease of oil, gas, and other tribal trust assets such as land. Indian Tribal Judgment Funds are **not** payments from Indian gambling operations. They include:

- Payments received under the Alaska Native Claims Settlement Act or the Sac and Fox Indian Claims Agreement.
- Payments received by certain Indian tribal members under Public Law 94-114, Section 6, regarding submarginal land held in trust by the United States.
- Payments of relocation assistance to members of the Hopi and Navajo Tribes under Public Law 93-531.
- Payments received from the disposition of funds to the Grand River Band of Ottawa Indians (Public Law 94-540).

Indian Tribal Judgment Funds (Cont.)

- Payments received by the Confederated Tribes and Bands of the Yakim Indian Nation and the Apache Tribe of the Mescalero Reservation from the Indian Claims Commission (Public Law 95-433, Section 2).
- Payments to the Passamaguoddy Tribe and the Penobscot Nation or any of their members pursuant to the Maine Indian Claims Settlement Act of 1980 (Public Law 96-420, Section 5).

Exclude payments of $2,000 or less for each household member per payment per calendar year. Exempt payments of any amount that is placed in an inaccessible trust.

Totally exclude from resources, purchases of $2,000 or less made solely with funds distributed after December 31, 1981, but before January 12, 1983 (P.L. 93-134, P.L. 97-458 and P.L. 98-64).

Individual Development Accounts (IDA)
P.L. 104-193,
P.L. 105-285,
P.L. 106-554.

Exclude funds in an IDA account. An IDA is an optional, interest-bearing account much like an IRA (but it is not a pension plan).

IDAs encourage clients to save for long term goals without the savings affecting eligibility or benefit amount.

IDAs are established and managed by DHS-approved organizations. IDAs are opened in financial institutions and are set up in an individual’s name. Any Iowan whose family income is below 200% of the federal poverty level and who lives in an area where there is an IDA project can open an IDA.

Installment Sales Contracts
7 CFR 273.8(e)(6)

Exclude the value of installment contracts for land or buildings sold at a price consistent with the fair market value of the property.

Leased Vehicles
7 CFR 273.8(e)

A leased vehicle is not a resource to a household during the period of the contract, even if part of the lease payments are applied to the principal. Consider as a resource only any gain or benefit that is realized by a household at the end of the lease contract.

Life Insurance Policy’s Cash Value
7 CFR 273.8(e)(2)

Exclude the cash value of a life insurance policy.

Loans
7 CFR 273.8(e)

Exempt only loans that are taken for business purposes and that the household is legally prohibited from using for a reason other than for the business.

> An employer does not have enough money to pay his employees. The employer takes out a loan for the purpose of meeting his payroll obligations. The lender has a legal restriction placed on the loan that restricts the money from being used for purposes other than the employer paying the employees' wages. This loan is exempt as a resource.

Mopeds
7 CFR 273.8(e)(2)

Exclude mopeds that meet the following criteria:

- A two- or three-wheeled vehicle.
- With an engine having a displacement no greater than 50 cubic centimeters (50cc).
- Not capable of operating at a speed in excess of 25 miles per hour on level ground without assistance.
- Identified by the letter R on the license or title.

Nonliquid Assets Under Lien
7 CFR 273.8(e)(15)

Exclude the value of nonliquid assets which are under a lien or security agreement that was placed as a condition for a business loan, if the security or lien agreement prohibits the household from selling the assets.

Other Excluded Federal Payments
7 CFR 273.8(e)(11)

The following is a listing of some of the resources that are excluded for SNAP by express provision of federal statute. There are additional resources that are excluded by federal statute, but they are not listed because they occur rarely or do not exist in Iowa.

- Federal tax refunds are excluded for 12 months, based on the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Public Law 111-312) through 2012, and made permanent by the American Taxpayer Relief Act of 2012.
- Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Public Law 91-646, Section 216).

Other Excluded Federal Payments (Cont.)

- Payments received from the Youth Incentive Entitlement Pilot Projects, the Youth Community Conservation and Improvement Projects, and the Youth Employment and Training programs under Title IV of the Comprehensive Employment and Training Act Amendments of 1978 (Public Law 95-524), but not payments from the Young Adults Conservation Corps under that Act.

  Other payments under the Comprehensive Employment and Training Act (CETA) are not exempt from consideration as resources.

- Payments made to certain United States citizens of Japanese ancestry, resident Japanese aliens, and certain Aleuts under Public Law 100-383, "Wartime Relocation of Civilians."

- Payments made from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).

- Payments made under the Radiation Exposure Compensation Act. (Public Law 101-425)

- Payments made for children who suffer from birth defects and whose mothers are Vietnam veterans. (Public Law 106-419)

- Benefits received from the Special Supplemental Food Program for Women, Infants, and Children (WIC).

Pension Plans and Retirement Accounts
7 CFR 273.8(e)(2), Public Law 110-246, Section 4104(b)

Exclude all pension plans whether the funds were contributed by the employer or the employee. Exclude the funds as long as they remain in a pension plan, even if accessible, regardless of whether the person is still employed. Also exclude retirement accounts.

Some examples of excluded pension plans and retirement accounts are:

- 401K plans
- Individual Retirement Accounts (IRAs), including Roth IRAs
- Keogh plans
- Deferred compensation plans

Retirement Accounts (Cont.)

- 457(b) plans
- Iowa Public Employees Retirement System (IPERS)

When a person withdraws funds from an excluded pension plan or retirement account, the money is income in the month it is received.

Pets and Property Used for the Pet
7 CFR 273.8(e)(2)

Exclude the value of pets and property used for the pet, such as saddles, bridles, or leashes.

Prorated Income
7 CFR 273.8(e)(9)

Do not count prorated income as a resource in any of the months for which it was prorated. See 7-I for more information on prorated income of people who are self-employed.

Property Producing Income Consistent With Fair Market Value
7 CFR 273.8(e)(4)

Exclude the value of property, such as rental property, that produces income consistent with its fair market value. This is true even when the property produces the income on a seasonal basis.

"Producing income consistent with fair market value" means the gross income received is similar to like properties in the area. For example, monthly rental amounts are generally similar in the same area for similar living quarters.

If the property does not produce income consistent with its fair market value, count the equity value toward the resource limit, unless the property could be exempt under another policy. Also, see 7-I, *Self-Employed Households*.

Property Sold Under Installment Contract
7 CFR 273.8(e)(6)

Exclude property that has been sold under an installment contract. Also, see Nonliquid Assets Under Lien.

Property Necessary to Maintain Excluded Vehicles
7 CFR 273.8(e)(16)

Exclude property necessary to maintain an excluded vehicle, as listed. Exclude only that portion of real property directly used for maintenance. For example, when part of a piece of land is used for storage or repair of the vehicle, exclude only that part, not the entire piece of land.

This exclusion applies only to property necessary to maintain a vehicle used for one of the following purposes:

- To produce income for more than 50 percent of the time it is used.

Property Necessary to Maintain Excluded Vehicles (Cont.)

- To produce income consistent with its fair market value, even if used only on a seasonal basis.
- For long distance travel (other than daily commuting) essential to the employment of a household member or another person whose resources are considered available to the household.
- Is used as the household's home.
- Is needed to carry the primary source of fuel for heating.
- Is needed to carry water for home use.
- To transport a physically disabled person who is a household member or whose resources are considered available to the household.

Property Necessary for Employment
7 CFR 273.8(e)(5)

Exclude property necessary for the employment or self-employment of a household member. See 7-I, *Self-Employed Households*.

Trust Funds
7 CFR 273.8(e)(8)

Exclude trust funds and income from trust funds if they are not accessible to the household. If it is not clear that a trust is accessible or inaccessible, send in a request for clarification to the DHS central office.

For a trust to be considered inaccessible to the household, all of the following criteria must be met:

- It must be anticipated that during the certification period:
  - The trust arrangement is not likely to cease, and
  - No household member has the authority to revoke the trust arrangement or change the beneficiary.
- The trustee who handles the trust must be either:
  - A court appointee who has court-imposed limitations placed on the use of funds that meet the requirements of this section, or
  - An institution, court, corporation, or organization that is not owned by or under the control of a household member.
- Trust investments must not directly involve or help any business or corporation under the control, direction, or influence of a household member.

Trust Funds (Cont.)

- The irrevocable trust must be established either:
  - From nonhousehold funds by a nonhousehold member, or
  - From the household's own funds, if the trustee uses the funds solely to:
    - Make investments on behalf of the trust, or
    - Pay the educational expenses of any person named by the household creating the trust, or
    - Pay the medical expenses of any person named by the household creating the trust.

US Savings Bonds
7 CFR 273.8(e)

Exclude the value of US Savings Bonds that cannot be cashed in. For bonds that can be cashed, count as a resource the amount the bond is worth at the time resources are being determined, not the face value of the bond.

Vehicles

Legal reference: 7 CFR 273.8(f)

A motor vehicle may be:

- Excluded as a resource.
- Counted according to its equity value.
- Counted according to its excess fair market value over $4,650.
- Counted according to either its excess fair market value over $4,650 or its equity value, whichever is higher.

The **fair market** value is the current value of the vehicle. The **equity** value of a vehicle is the fair market value minus encumbrances.

Discussion on determining and counting the value of motor vehicles is organized as follows:

- Excluded motor vehicles
- Determining the fair market value of a motor vehicle
- Determining the countable value of a motor vehicle
- Jointly owned vehicles

Excluded Motor Vehicles

Legal reference: 7 CFR 273.8(e)

Exclude the entire value of one motor vehicle for each SNAP household. See 4-D, *Vehicles* for examples of motor vehicles.

Exclude the entire value of any remaining licensed vehicle if it:

- Is used to produce income.
- Produces annual income consistent with its fair market value. Allow the exclusion even if the work is seasonal.
- Is used for long distance travel (other than daily commuting) that is essential to employment. This may be employment of a household member or another person whose resources count. Examples include traveling salesmen, or migrants following the migrant stream.
- Is needed to transport a physically disabled person who is a household member or whose resources count. The physical disability can be either temporary or permanent. If the disability is questionable, a doctor's statement can be used as verification. **NOTE:** This exclusion does not apply to mental disabilities.

  Exclude only one vehicle per physically disabled person. The vehicle does not need to be specially equipped to be excluded. Transportation of the person can be for any reason, not just for medical treatment.
- Is used as the household's home.
- Is needed to carry the primary source of fuel for heating.
- Is needed to carry water for home use.
- Would produce a profit of $1, 500 or less, if sold.

Continue to allow the first three exclusions during periods of temporary unemployment, such as when a taxi driver is ill.

These exclusions also apply to vehicles on Indian reservations that do not require a license for vehicles driven by tribal members.

Determining the Fair Market Value

Fair market value is usually found in "blue books," like the National Automobile Dealers' Association (NADA) ***Used Car Guide***.

When using this source to determine fair market value, use the wholesale or trade-in value, not the retail value. Do not increase the value because of low mileage or optional equipment. Do not count special equipment to accommodate the handicapped as increased value.

If a new vehicle is not yet listed in the blue book, use another reputable assessment, such as a new car dealership, to determine fair market value.

If the vehicle is no longer listed, accept the estimated value given by the household, unless there is reason to believe the estimated value is not accurate and the value will affect eligibility.

When the estimate is questionable, the household must verify the value of the vehicle using a reputable source (such as an appraisal or a newspaper ad for a like vehicle). Proof of the value of classic cars, antiques, or custom-built cars must be from a reliable source.

Ask the household to get proof of the value of any vehicle that is in less than average condition. Vehicles with body damage or engine problems may be worth less than the blue book value.

If you use an Internet blue book web site to verify the fair market value of a vehicle, print a copy of the information as documentation for the case file. The information you use when the verification is made will not be available on the web site at the time of a QC review.

Determining the Countable Value of a Vehicle

Legal reference: 7 CFR 273.8(f)(1)&(2)

For **unlicensed** vehicles, count only the **equity** value. Unlicensed vehicles include vehicles on Indian reservations that do not require a license for vehicles driven by tribal members.

For leased vehicles, see Leased Vehicles under Excluded Resources.

To determine the countable value of **licensed** vehicles that are not excluded under Excluded Motor Vehicles:

1. Appraise each vehicle individually to see if it has excess fair market value (over $4,650).
2. Count the excess fair market value over $4,650 as a resource for:
   - One vehicle for each adult household member.
   - Any other vehicle a household member under age 18 drives to or from work, to training or education in preparation for work, or to look for work.

   Do not consider the equity value for these vehicles. (Continue to exclude the equity value for vehicles of household members under age 18 during periods of temporary unemployment or when a household member is unemployed because of a strike.)
3. Determine the equity value of the remaining vehicles. Compare the equity value to the amount of the fair market value that is over $4,650. Count as a resource the higher of the excess fair market value over $4,650 or the equity value.

Flow Chart On The Treatment of Licensed Vehicles

Exclude these vehicles from consideration.

- One vehicle per household.
- Would give a profit of $1,500 or less if sold?
- Are used:
  - For income producing purposes?
  - For long distance business travel?
  - For annually producing income consistent with fair market value?
  - As the household home?
  - To carry the primary source of heating or water for the household?
  - To transport a physically disabled member?

Are there any remaining vehicles in the category of:

- One vehicle for each adult household member?
- A vehicle used by a household member under the age of 18 for transportation to and from work, training, or education to prepare for work?

↓ **Yes** ↓

Evaluate these vehicles for fair market value over $4,650. Apply excess to resources.

↓ **No** ↓

Evaluate all remaining vehicles for fair market value over $4,650 and equity. Apply the greater amount of equity value or the fair market value over $4,650 to the household's resources.

EXAMPLE:

A household with two adult members owns five vehicles, as follows:

- Vehicle A has a fair market value of $6,000 and an equity value of $4,000.
- Vehicle B has a fair market value of $4,600 and an equity value of $2,000.
- Vehicle C has a fair market value of $4,800 and an equity value of $3,500.
- Vehicle D is a licensed motorcycle. It has a fair market value of $2,000 and equity value of $700.
- Vehicle E is a licensed motor home. It has a fair market value of $5,500 and an equity value of $1,600.

Calculate the value to count towards the resource limit as follows:

Vehicle	Excess Fair Market Value	Equity Value
A	Excluded	Excluded
B	$ 0(4,600 - 4,650)	Excluded
C	$150(4,800 - 4,650)	Excluded
D	$ 0(2,000 - 4,650)	$ 700
E	$850(5,500 - 4,650)	$1,600

Vehicle A is excluded as one vehicle per household.

Exclude the equity value of vehicle B and C as one vehicle for each adult household member.

Vehicle D is excluded as a resource because the sale of the vehicle would give the household $1,500 or less.

Vehicle E must have the equity value counted.

Thus, apply the following toward the household’s resource limit:

Vehicle	Excess Fair Market Value	Equity Value		Countable Value
A	Excluded	Excluded	0	Excluded
B	$ 0	Excluded	$ 0	Countable value of B
C	$ 150	Excluded	$ 150	Fair Market value of C
D	$ 0	$ 700	$ 0	Excluded
E	$ 850	$ 1,600	$1,600	Equity value of E
		Total Applied:	$ 1,750	Total countable value

Jointly Owned Vehicles

Legal reference: 7 CFR 273.8

If a vehicle is owned by more than one person, first see Joint Ownership earlier in this chapter to decide the household's share of the value of the vehicle. Then use the following policies to decide how much of the value of the household's share of the vehicle is countable as a resource.

When using the **equity value** policy, only the household's share of the vehicle's equity is considered.

When using the **fair market value** policy, subtract $4,650 only once per vehicle, regardless of the number of owners. This means you first subtract $4,650 from the fair market value of the vehicle before determining the household's share to count.

> Mr. M and Ms. K get SNAP together. Ms. K is an SSI recipient. Mr. M is not. They have two cars titled in both of their names. One car is exempt. The fair market value of the remaining car is $8,600. $8,600 minus $4,650 = $3,950. The owners' intent is that each person has equal shares of ownership in the car. $3,950 divided by 2 = $1,975. $1,975 is the amount that can be attributed as the excess fair market value towards the household's resource limit.

Transferred Resources

Legal reference: 7 CFR 273.8(h)

A transfer of resources may be either:

- Allowable or
- Disqualifying.

Allowable Transfers

Legal reference: 7 CFR 273.8(h)

Allowable transfers involve resources that:

- Belong to a FIP or SSI recipient.
- Would not otherwise affect eligibility.
- Are sold or traded at, or near, fair market value.
- Are transferred between members of the same household, including ineligible aliens or disqualified persons.

- Are transferred for reasons other than to qualify or attempt to qualify for SNAP. An example is a parent putting money in an educational trust fund (as described in Trust Funds).

Disqualifying Transfers

Legal reference: 7 CFR 273.8(h)

The transfer of resources policy does **not** apply to categorically eligible FIP and SSI recipients. See *7-C, FIP and SSI Households*.

For all other people, disqualify the entire household if:

- A person whose resources are considered as countable towards the household deliberately transfers resources within the three-month period immediately preceding the date on the SNAP application, **and**
- The transfer was done solely to qualify the household for SNAP.

Also disqualify a certified household if a transfer was done solely for the household to remain eligible for SNAP.

For applicant households, disqualification can last up to 12 months, beginning with the month of application. If the household is currently receiving SNAP, begin the disqualification period with the month following the month in which the timely notice period expires, unless the household has requested a hearing and continuation of benefits.

Determining the length of the disqualification period involves several steps:

1. Add the nonexempt transferred resource to the other countable resources of the household.
2. Subtract the resource limit for the particular household from the new amount to find the "amount in excess of the resource limit."
3. Use the following chart to determine the period of disqualification:

Amount in Excess of Resource Limit	Period of Disqualification
$ 0 - 249.99	1 month
$ 250 - 999.99	3 months
$ 1,000 - 2,999.99	6 months
$ 3,000 - 4,999.99	9 months
$ 5,000 or more	12 months

A one-person household with $1,750 in a bank account transferred ownership of a car used for work and worth $5,000 to try to qualify for SNAP. The first $4,650 of the car's value is exempt, leaving $350 to apply toward the resource limit. The household's resource limit at the time of application was $2,000. Calculate the disqualification period as follows:

$350 value of the transferred resource (countable value of the car) + $1,750 bank account = $2,100. $2,100 - $2,000 (resource limit) = $100 in excess of the resource limit.

Based on the chart, the household must be disqualified for one month.

Send a *Notice of Decision* to disqualify the household if you determine that the household deliberately transferred resources to qualify or try to qualify for SNAP. Include in the notice the reason for the disqualification and how long the disqualification will last.

Change the disqualification period if you did not determine the period correctly. However, a change in household circumstances cannot change or end the disqualification period.