Asset Limits & Curing Assets: Quick Guide for Rental Assistance Clients

1) What are assets?

Assets refer to anything valuable you own, such as:

- Cash, bank accounts, stocks, or jewelry
- Vehicles, tools, artwork
- Real Property (land or housing)

Net family assets = the value of everything you own minus what you owe on it and any reasonable selling costs.

2) What is the asset limit?

The asset limit is the most you can own in countable assets and still qualify for rental assistance.

- For 2027 the asset limit is $109,797.
- The asset limit also considers whether you own a home that you can live in.

If your assets are higher than the limit, you are out of compliance and must cure the issue.

3) Real Property Rules (Homes or Land)

You may be ineligible if you own a property that:

- You have ownership interest in
- You legally can live in
- You legally can sell
- Is suitable for occupancy by your family

If you have property, HACSD will check:

- Do you own it?
- Can you legally live in it?
- Can you legally sell it?
- Is it suitable for occupancy?
- Does it qualify for an exemption?

Exemptions (Property Not Counted as "Real Property")

The real property restriction does not apply to the following:

- Families receiving assistance for a manufactured home.
- Families participating in the Housing Choice Voucher (HCV) Homeownership program.
- Any property jointly owned by a family member where another individual who does not live with the family but resides at the jointly owned property.
- A person who is a victim of domestic violence, dating violence, sexual assault, or stalking.
- Any property that the family is offering for sale.

4) When are these rules enforced?

At Admission (New Applicants)

- If your assets or property make you ineligible, HACSD must deny assistance. These rules cannot be waived.

For Current Rental Assistance Participants

- At your annual or interim recertification:
  - HACSD will review your assets.
  - If you are over the limit, you get up to six months (the "cure period") to fix the issue.
  - If you do not cure it within six months from the effective date of the annual or interim certification, HACSD must begin termination.

5) What does "suitable for occupancy" mean?

A property is suitable unless you prove one of the following:

- It does not meet disability needs
- It is too small for your family
- It is too far from work/school and causes hardship
- It is unsafe due to physical condition
- You cannot legally live there

Even if a property is not suitable, it may still count as an asset unless you also cannot legally sell it.

6) What if I have jointly owned assets?

If you own assets with someone not in your household:

- HACSD usually must count the full value, unless you can prove you cannot access or sell your portion.
- If you can only access part of it, only that portion counts.

7) How can I cure my assets?

If the non-compliance is because you own a home, you will have to show that you either no longer own the home or that it qualifies as an exemption (such as not meeting your disability needs or that you're putting it up for sale) Note, just because the home meets an exemption, does not mean that it is excluded from net family assets. The value of the property may still be counted.

<u>Spending Down on Allowed Items</u>

You can cure your assets by doing the following:

- Paying medical bills
- Buying clothes or household items
- Buying items necessary for employment
- Buying items necessary for health and wellness such as gym equipment

<u>Moving Assets Into Excluded Accounts</u>

You can also move your assets so they are no longer counted amount net family assets. You can transfer funds into a retirement account recognized by the Internal Revenue Service such as:

- Individual Retirement Arrangement (IRA)
- Employer Retirement Plan
- Retirement Plan for Self Employed Individuals

Fixing Real Property Issues

If the issue is owning a home:

- You can put it up for sale
- You can prove you cannot legally live in it
- You can prove you cannot legally sell it

8) Important: Disposing assets for less than fair market value

You can dispose of (which means, give away, sell or transfer) the asset, however, disposing assets for less than they're worth will count towards your asset limit for the next two years.

9) How long will I have to cure my assets?

You have **up to six months** from the effective date of your recertification to fix the non-compliance. HACSD will not terminate assistance if you cure the issue in time.

10) What happens if I do not come back into Compliance?

If you do not cure your assets within six months:

- Your rental assistance will be terminated.
- HACSD cannot recertify your assistance.

11) What if I have more questions?

Contact your Housing Specialist. **Please note that Housing Specialists can only answer general questions and are unable to give legal advice.**