

15. Personal Property/Resources

15.1 Countable Resources [EAS 63-501.1]

15.1.1 Liquid Resources

- Cash, savings and checking accounts, savings certificates, trust deeds, notes receivable, revocable trusts.
- Stocks and bonds.
- Nonrecurring lump sum payments:
 - CalWORKs homeless payments for temporary shelter or permanent housing
 - Cal-Learn bonuses for a good report card or high school graduation
 - Insurance settlements
 - Tax refunds
 - Rebates or credits
 - Retroactive Social Security or Railroad retirement
 - Keogh plans established solely between AU members (Count the total cash value minus any penalty for early withdrawal.)
 - Lottery winnings received in a single payment
 - Vacation pay received in a single payment after employment ceases
 - Rental or security deposit refunds
 - Any unused portion of the VA educational program retained subsequent to the month of receipt will be counted as property.
- Motor vehicles. [Refer to “Leased Vehicles,” page 15-14].]

15.1.2 Value Determination

Count the equity value of a nonexempt property, except for motor vehicles which are treated differently. [Refer to “Motor Vehicles,” page 15-15].] To determine the equity value, subtract encumbrances (amount owed) on the property from its Fair Market Value (FMV).

Fair Market Value
- Encumbrance

Equity Value

Determine the Fair Market Value by:

- Obtaining two appraisals from reputable dealers and averaging the two appraisals, or
- Self-Certification Form for Motor Vehicles (CW 80).

Subtract the encumbrances (amount owed on the property) to determine the property’s equity value.

[Refer to “Equity Value,” page 15-15] to determine the equity value of a vehicle.]

15.1.3 Encumbrances of Record

Encumbrances of record are obligations for which the property is security. They include, but are not limited to, the following:

- Loans which actually encumber the property. If the borrower should default on payment of the loan, the loaner expects to take over ownership of the property item.
- Attachments for debts or taxes.
- Chattel or secured transaction, mortgages and liens.
- The unpaid balance on the purchase price of property under a conditional sales contract.
- The amount paid on the principal for property sold under a conditional sales contract.
- Property liens established to repay CalWORKs grants.

15.2 Exempt Personal Property [EAS 63-501.3]

The property listed below is exempt for CalWORKs applicants and recipients unless otherwise noted:

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
BATTERED WOMEN'S SHELTER RESIDENTS - SOME RESOURCES	Exempt for a woman, alone or with children, who temporarily resides in a shelter for battered women and children if: <ul style="list-style-type: none"> • The property is jointly owned with members of the former family from which the resident fled, and • The resident's access to jointly owned property requires the consent of both the resident and members of the former family.

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
BURIAL PLOTS, IRREVOCABLE BURIAL TRUST AND OTHER FUNERAL AGREEMENT	Exempt one per AU member.
CalABLE OR ABLE ACCOUNTS (IRC Sect. 529A)	Exempt up to \$100,000.
FILIPINO VETERANS EQUITY COMPENSATION	Exempt the one time payment of up to \$15,000 for certain veterans who served in the military of the Government of the Commonwealth of the Philippines during World War II and their spouses.
HOUSEHOLD GOODS	Exempt items such as furniture or appliances.
INACCESSIBLE PROPERTY	[Refer to “Inaccessible Property,” page 14-8].
IRA (INDIVIDUAL RETIREMENT ACCOUNT)	Exempt the entire amount.
529 COLLEGE SAVINGS PLAN	Exempt the entire amount.
COVERDELL EDUCATIONAL SAVINGS ACCOUNTS	Exempt the entire amount.
IRREVOCABLE/INACCESSIBLE TRUST FUNDS Condition #1: TRUSTEE	Exempt a trust fund or income from a trust fund which is inaccessible, when ALL four of the following conditions exist:
	The trustee administering the funds is either: <ul style="list-style-type: none"> a. A court; or b. An institution, corporation or organization which is not under the direction or ownership of any AU member; or c. An individual appointed by the court who has court-imposed limitations placed on his/her use of the funds.
Condition #2: SOURCE/PURPOSES	The funds are either: <ul style="list-style-type: none"> a. Established by a person who is not in the CalWORKs family from funds that were also not from the CalWORKs family, regardless of how the funds will be used; or b. Established from the AU’s own funds, if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the AU creating the trust.
Condition #3: LENGTH	The trust arrangement is not likely to end before the next redetermination (RD).

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
Condition #4: AU CONTROL	<p>No AU member has the power to:</p> <ul style="list-style-type: none"> - Revoke the trust arrangement; or - Change the name of the beneficiary before the next RD. <p>The trust investments do not directly involve or assist any business or corporation under the control, direction or influence of an AU member</p>
INDIVIDUAL DEVELOPMENT ACCOUNT (IDA)	<p>Exempt Individual Development Account (IDA) funds. The "Assets For All Alliance" collaborative offers a unique, matched savings account and money management education to current and former CalWORKs recipients. As an IDA investor, the current or former CalWORKs recipient must:</p> <ul style="list-style-type: none"> • Sign a "Program Agreement," • Agree to save monthly, over a two to three-year period from the date of enrollment, and • Be able to deposit up to \$2,250 in their IDA Client Account. <p>The IDA Client Account is matched \$2 for every \$1 deposited, up to \$4,000, in an IDA Matching Fund Account. The IDA investor can accumulate a total of \$6,000 in both accounts for direct investment in their long-term goal. All resources/property (including interest and match funds) retained in the IDA accounts do not affect CalWORKs benefits. It is required that the investor deposit only earned income into the IDA. The funds in the Client Account and in the Matching Fund Account are considered an "unavailable resource" for eligibility and grant computation. Funds are:</p> <ul style="list-style-type: none"> • Held at Citibank with an IDA Case Manager, • Not accessible to the IDA Investor, and • Only released directly to an Asset Vendor specifically for; <ul style="list-style-type: none"> a. First-time home ownership, or a. Post-secondary education or training for themselves or their children, or a. Business start-up or expansion. <p>The matching funds will never go directly to the investor. Rather, the matching funds are held in a parallel account and are only released to the investor's Asset Vendor (for example; a mortgage provider; post-secondary education institution). In addition, IDA investors do not have access to their own Client Account. Withdrawals must be goal-related, approved, and co-signed by the IDA case manager. The funds will only be paid directly to the vendor.</p> <p>However, if an extreme emergency occurs and a non-goal related withdrawal from the Client Account occurs, monies in the Matching Fund account are forfeited.</p>
IDA (continued)	<p>If the IDA case manager co-signs a CalWORKs recipient's non-asset withdrawal, the client must also notify the EW and the EW must:</p> <ul style="list-style-type: none"> • Count the withdrawal as earned income in the month of withdrawal (unless these funds have previously been counted as income), • Count the withdrawal as a resource in determining eligibility, • Determine if there is a period of ineligibility for the Assistance Unit. <p>Note:</p> <p>The IDA contract between Social Services Agency and the "Assets for All Alliance" ended in August of 2004.</p>

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
KEOGH PLAN FUNDS	Exempt only if established by contract with a person who is not in the CalWORKs family. Otherwise, count the entire amount minus any penalties for early withdrawal.
LIFE INSURANCE	Exempt the cash surrender value of whole life insurance policies.
NONLIQUID ASSETS WITH A LIEN	Exempt when the lien was placed as a result of a business loan and the security agreement or lien prohibits the AU from selling the asset(s).
PENSION PLANS	<p>The cash value of pension plans is excluded from recipient's resources, except for:</p> <ul style="list-style-type: none"> • Keogh plans that do not involve a contractual obligation with an individual (or entity) who is not a household member (such as a partnership's Keogh). <p>The exclusion from resources for pension plans other than Keogh and IRAs applies regardless of whether the recipient is currently employed. These pension plans include but are not limited to:</p> <ul style="list-style-type: none"> • *457 plans, • *401 (k) plans, • The Federal employee thrift savings plan, • *403 (b) plans, • 501 (c) (18) plans, • 529 plans, and • Simplified employer pension (SEP) plans. <p>*=These accounts are also excluded from an applicant's resource limit.</p>
PERSONAL EFFECTS	Personal property in an AU's possession (other than vehicles, land, buildings, etc.) which is NOT used for self-employment. Exempt items such as clothing, jewelry, heirlooms, personal computers, printers, fax machines, cellular phones, musical instruments, cameras or collectibles (books, stamps, antiques, etc.).
PERSONAL PROPERTY DIRECTLY RELATED TO THE USE OF SOME EXEMPT VEHICLES	<p>Exempt personal property related to the use or maintenance of a motor vehicle which is exempt for one of the following reasons:</p> <ul style="list-style-type: none"> • Used more than 50% of the time for income-producing purposes such as, but not limited to a taxi, truck, or fishing boat. • Annually producing income consistent with its fair market value, even if used only on a seasonal basis. <p>These exemptions continue to apply when the vehicle is not in use due to temporary unemployment (such as when a taxi driver is ill and cannot work, or when a fishing boat is frozen-in and cannot be used). [Refer to SECTION 15.6.2]</p>
PERSONAL PROPERTY ESSENTIAL TO THE EMPLOYMENT OR SELF-EMPLOYMENT OF AN AU MEMBER	<p>Exempt property which includes:</p> <ul style="list-style-type: none"> • Work-related equipment, tools, machinery or inventory. • Business property that is separate and identifiable (such as a checking account), unless that property is commingled or no longer separately identifiable. • Property exempt for self-employed farming continues to be exempt for up to one year after that self-employment ceases.
PERSONAL PROPERTY WHICH PRODUCES INCOME CONSISTENT WITH ITS FAIR MARKET VALUE	Exempt even if the property is only used seasonally. [Refer to "Income-Producing Property," page 15-9].

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
UNIFORM GIFT TO MINORS	Exempt if the property is not available to child. [Refer to “Uniform Gift to Minors,” page 14-6] and [Refer to “UNIFORM GIFT TO MINORS,” page 14-9].
VEHICLES	Exempt some vehicles. [Refer to “Leased Vehicles,” page 15-14] and [Refer to “Availability of Motor Vehicles,” page 14-7].

15.2.1 Benefits and Funds

The following benefits and funds are exempt;

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
ENERGY ASSISTANCE PAYMENTS	Exempt payments made under any federal, state, or local law for energy assistance, including Low Income Energy Assistance Program (EAP) payments.
WORKFORCE INVESTMENT ACT (WIA) FUNDS	Do not exempt WIA earnings received for on-the-job training, unless the trainee is: <ul style="list-style-type: none"> • Age 18 or younger, and • Under parental control. Exempt all other WIA income.
SELF-EMPLOYMENT FUNDS	Exempt funds (such as checking or savings accounts) whether maintained exclusively for business purposes or commingled with nonexempt properties if the funds are: <ul style="list-style-type: none"> • Derived from prorated self-employment income, or • Necessary to produce self-employment income. Exempt only for the period of time over which self-employment income is prorated.
STUDENT FINANCIAL AID PAYMENTS	Exempt funds prorated as student income. (When commingled in an account with nonexempt funds, these properties remain exempt only for the period of time over which they were prorated as income.) Exempt if issued under: <ul style="list-style-type: none"> • Title IV of the Higher Education Act (Including Title IV Work Study). • The Bureau of Indian Affairs Student Assistance Programs. • Title XIII, Indian Higher Education Programs, Tribal Development Student Assistance Revolving Loan Program (Tribal Development Student Assistance Act). • Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 (P.L. 101-392) and earmarked by the lender for, used for, or intended to be used for educational expenses (per the Standard Student Budget) at a: <ul style="list-style-type: none"> • High school • High school equivalency program • Vocational school • Post-secondary school (college). [Refer to “WORKFORCE INVESTMENT ACT (WIA) FUNDS,” page 15-6].]
VETERANS BENEFITS IMPROVEMENT AND HEALTH CARE PAY DEDUCTIONS	Exempt the amount by which the basic pay of an individual is reduced under the Veterans Benefits Improvement and Health Care Authorization Act of 1986 (PL 99-576, Sec. 303[a][i]).

15.2.2 Exempted by Federal Law

The following property is exempt specifically by federal law:

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
AGENT ORANGE PAYMENTS	Exempt payments made under the Agent Orange Settlement Fund or any other fund established to settle claims under the Agent Orange Compensation Act of 1989. (PL 101-201, PL 101-239) DO NOT exempt Veteran’s Administration (VA) benefits for Agent Orange-caused disabilities.
ALEUT RESIDENT RESTITUTION PAYMENTS	Exempt payments made to residents of the Pribilof Islands and the Aleutian Islands west of Unimak Island under the Aleutian and Pribilof Islands Restitution Act for injustices suffered while under United States control during World War II.
CHILD CARE PAYMENTS	Exempt only those payments from the following sources. (The exemption applies only to the individual who incurs the costs of child care, and does not apply to the child care provider.) <ul style="list-style-type: none"> • At Risk Block Grants • Child Care and Development Block Grant
DISASTER ASSISTANCE PAYMENTS	Exempt: <ul style="list-style-type: none"> • Federal major disaster and emergency assistance issued under the Disaster Relief Act of 1974, and • Comparable assistance provided due to a disaster by states, local governments, and disaster assistance organizations. (PL 100-707)
DISASTER GOVERNMENT PAYMENTS TO RESTORE A HOME	Exempt any government payment designated to restore a home damaged in a disaster, if the AU may be penalized if these funds are not used for this purpose. This includes, but is not limited to payments from: <ul style="list-style-type: none"> • Department of Housing and Urban Development through the individual and family grant program • Disaster loans • Small Business Administration grants.
DISASTER UNEMPLOYMENT ASSISTANCE (DUA) PAYMENTS	Exempt DUA payments which are paid only when a natural disaster has been declared by the President of the United States. (These checks have a "greenish" background.)
EARNED INCOME CREDIT (EIC) PAYMENTS	Exempt an EIC advance payment or a lump sum for 12 calendar months starting with the month of receipt of the payment.
INDIAN LANDS	Exempt land that: <ul style="list-style-type: none"> • Is held jointly with the tribe, and • Can only be sold with the approval of the Department of Interior’s Bureau of Indian Affairs.
INDIAN PAYMENTS	[Refer to “Indian Payments - General Exemptions,” page 15-10].
JAPANESE ANCESTRY RESTITUTION PAYMENTS	Exempt funds paid under the Civil Liberties Act of 1988 to persons interned during World War II. Exempt payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry, and payment received as restitution made to Aleuts as a result of being relocated by the U.S. government during World War II. (PL 100-383)

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
<p>NATIONAL AND COMMUNITY SERVICE ACT TITLE I PAYMENTS</p>	<p>Exempt payments from these programs, except earnings of an emancipated minor or an AU member who is over 18:</p> <ul style="list-style-type: none"> • Serve America • American Conservation and Youth Corps • Higher Education Program • Service-Learning Program • Americorps • National Civilian Community Corps • Summer for Safety Program • School-to-Work Opportunities Program.
<p>NAZI PERSECUTION VICTIM PAYMENTS</p>	<p>Exempt these payments. (PL 103-286)</p>
<p>NATIVE AMERICAN TRIBE PAYMENTS</p>	<p>Exempt funds distributed per capita or held in trust for any Native American Tribe under Public Law (PL) 92-254 or PL 94-540.</p> <p>Exempt funds of Native American Tribes, from PL 93-134, PL 97-458, and PL 98-64, including interest earned from, investment income derived from and initial purchases made with such funds when the funds have been:</p> <ul style="list-style-type: none"> • Distributed by the Secretary of the Interior on a per capita basis, or • Held in trust by the Secretary of the Interior, or • Individually owned trusts or restricted lands. <p>Exempt distributions to a household, individual Native or descendent of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA) under PL 100-241. Exempt distributions include:</p> <ul style="list-style-type: none"> • Cash, including cash dividends on stock received from a Native Corporation, to the extent it does not exceed \$2,250 total per person per annum, • Stock, • A partnership interest, • Land or interest in land, and • Interest in a settlement trust.
<p>RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS</p>	<p>Exempt payments made under the Radiation Exposure Compensation Act of 1990 for certain diseases caused by radiation exposure. (PL 101-426)</p>
<p>RICKY RAY HEMOPHILIA RELIEF FUND ACT</p>	<p>Exempt payments (allowances) received under Public Law 105-369 by individuals who have contracted human immunodeficiency virus, (HIV), due to contaminated blood products used in the medical treatment of their blood-clotting disorder.</p>
<p>SPINA BIFIDA PAYMENT</p>	<p>Exempt allowances paid to Vietnam Veterans' children who are born with Spina Bifida. (PL 104-204)</p>
<p>UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICY ACT OF 1970 REIMBURSEMENT</p>	<p>Exempt these payments.</p>

EXEMPT PROPERTY	ADDITIONAL INFORMATION OR RESTRICTIONS
VOLUNTEER PAYMENTS	<p>Exempt only those payments issued under the following programs:</p> <ul style="list-style-type: none"> • Title I of the Domestic Volunteer Services Act, only if the individual was already receiving CalWORKs when they joined the volunteer program. Include payments from: <ul style="list-style-type: none"> - VISTA - University Year for Action - Urban Crime Prevention Program. • Title II of the Domestic Volunteers Act, including: <ul style="list-style-type: none"> - Retired Senior Volunteer Program (RSVP) - Foster Grandparents - Senior Companion Program. • Senior Community Service Employment Volunteer Program (SCSEP) under Title V of the Older Americans Act, including: <ul style="list-style-type: none"> - Green Thumb - National Council on Aging - National Council of Senior Citizens - American Association of Retired Persons (AARP) - U.S. Forest Service - National Association for Spanish-Speaking Elderly - National Urban League National Council on Black Aging.

15.3 Income-Producing Property

Personal property may be excluded whenever that property annually produces income consistent with its Fair Market Value (FMV).

Deductions are not subtracted before the FMV is determined.

Use the newspaper or on-line classified ads, local tax assessors, local realtors, the Small Business Administration, or the Farmers' Home Administration to determine the rate of rental for similar property.



Note:

This monthly rate is determined only for the months in which the property is income producing.



Example:

Ms. Grey owns a 1969, 24-foot trailer in Mt. Shasta. She rents it out during the winter and the summer, and uses it during the spring and the fall. Ms. Grey states that she rents the trailer for a total of eight months during the year at \$250 a month.

Ms. Grey brings a newspaper clipping indicating that an older 24-foot trailer in Mt. Shasta rents at \$235 to \$265 per month, not including utilities, for six months out of the year. The receipt of rent is verified.

The property is determined to be annually producing income consistent with its FMV and is exempt as a property for the entire year. The case is documented to verify how the determination was made.



Note:

Income received from income-producing property is treated as self-employment income. Expenses allowed include, but are not limited to:

- Interest on payments
- Taxes
- Insurance

15.3.1 Indian Payments - General Exemptions

The following payments are exempt as property.

EXEMPTION	ADDITIONAL INFORMATION OR RESTRICTIONS
Indian Trust or Restricted Land payments	Exempt up to \$2,250 per person in each calendar year.
Old Age Assistance funds	Exempt amounts of \$2,250 or less paid to the heirs of deceased Native Americans under the Old Age Assistance Act (PL 98-500, Sec. 8).
Indian Child Welfare Act Child and Family Service Grants	Includes grants for: <ul style="list-style-type: none"> • Family assistance • Day care • After school care • Respite care • Recreational activities • Home improvement • Employment of domestic relations and child welfare personnel • Education and training.

EXEMPTION	ADDITIONAL INFORMATION OR RESTRICTIONS
Indian Claims Commission judgment or Claims Court payments	Issued under Public Law (PL) 93-134, PL 97-458, or PL 98-64. Funds must have been: <ul style="list-style-type: none"> • Distributed in payments of \$2,250 or less per person, or • Held in trust according to an approved plan, or • As of 1/12/83, to have been distributed in payments of \$2,250 or less per person, or • Distributed according to a plan approved by Congress from 1/1/82 through 1/11/83 (exempt also any purchases made with this money), or • Trust fund payments of \$2,250 or less per person from funds held in trust by the Secretary of the Interior.

15.3.2 Tribal Exemptions

Payments issued to members of the following tribes are exempt as property.

TRIBAL GROUP/NATION	APPLICABLE FEDERAL LAW
Alaskan Natives	Alaska Native Claims Settlement Act under: <ul style="list-style-type: none"> • PL 92-203, Sec. 29, or • PL 100-24, Sec. 15, or • Sac and Fox Indian Claims Agreement PL 94-189, Sec. 6.
Apache Tribe of the Mescalero Reservation	Payments from the Indian Claims Commission under PL 95-433, Sec. 2.
Assiniboine Tribe	PL 94-114, Sec. 6 payments of sub-marginal land held in trust by the U.S.
Assiniboine Tribes, Montana	PL 97-408
Assiniboine Tribe of the Fort Belknap Indian Community and the Fort Peck Indian reservation, Montana	PL 98-124, Sec. 5
Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Blackfeet Tribe	PL 97-408 PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Cherokee Nation of Oklahoma	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Cheyenne River Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Chippewas of Lake Superior	PL 99-146, Sec. 6(b) PL 99-377

TRIBAL GROUP/NATION	APPLICABLE FEDERAL LAW
Chippewas of the Mississippi	PL 99-146, Sec. 6(b) PL 99-377
Crow Creek Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Devils Lake Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Fort Belknap Indian Community	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Fox	Claim agreement payments under PL 94-189
Grand River Band of Ottawa	PL 94-540
Grosventre	PL 97-408
Hopi	PL 93-531, Sec. 22
Independent Seminole Indians of Florida	Payments of \$2,250 or less per person to satisfy a judgment of the Indian Claims Commission (PL 101-277)
Indian Tribal Members	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Keweenaw Bay Indian Community	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Lac Corte Oreilles Band of Lake Superior Chippewa Indians	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Lower Brule Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Miccosukee Tribe of Indians of Florida	Payments of \$2,250 or less per person to satisfy a judgment of the Indian Claims Commission (PL 101-277)
Minnesota Chippewa Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Navajo	PL 93-531, Sec. 22 PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Oglala Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Papago Tribe, Arizona	PL 97-408
Passamaquoddy	Maine Indian Claims Settlement Act of 1980 (PL 96-420, Sec. 9 c)
Penobscot	Maine Indian Claims Settlement Act of 1980
Puyallup Tribe	Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41, Sec 10(b) and (c))

TRIBAL GROUP/NATION	APPLICABLE FEDERAL LAW
Red Lake Band of Chippewa Indians	PL 98-123
Rosebud Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Sac	Claim agreement payments under PL 94-189
Saginaw Chippewa Indians of Michigan	PL 99-346, Sec. 662
Seminole Nation of Oklahoma	Payments of \$2,250 or less per person to satisfy a judgment of the Indian Claims Commission (PL 101-277)
Seminole Tribe of Florida	Payments of \$2,250 or less per person to satisfy a judgment of the Indian Claims Commission (PL 101-277)
Seneca Nation	Seneca Nation Settlement Act of 1990 (PL 101-503, Sec. 8[b])
Shoshone-Bannock Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Standing Rock Sioux Tribe	PL 94-114, Sec. 6 payments for sub-marginal land held in trust by the U.S.
Turtle Mountain Band of Chippewas, Arizona	PL 97-403
Yakima	Payments from the Indian Claims Commission under PL 95-433, Sec. 2
White Earth Band of Chippewa Indians, Minnesota	White Earth Reservation Land Settlement Act of 1985 (PL 264, Sec. 16)

15.4 Vehicle

15.4.1 Definition [EAS 42.215.4]

The definition of a vehicle includes but is not limited to the following:

- Cars
- Trucks
- Sports Utility Vehicles (SUVs)
- Vans
- Boats
- Trailers

- Campers
- Recreational Vehicles (RVs)
- Motorcycles
- Houseboats
- Jet Skis
- Snowmobiles.

15.5 Leased Vehicles

A vehicle which is leased or on a lease/purchase option is not regarded as property until a transfer of ownership has occurred. A leased vehicle remains in the ownership of the leasing firm.



Example:

A client applies for CalWORKs for himself, his wife, and their 3 children. He has leased a car from Future Fords. His lease contract states that he has the option to buy the car and that all his monthly lease payments are applied toward the purchase of the car.

Since Future Fords is the owner of the vehicle, the vehicle is not counted as property to the client.



Note:

Encumbrances on motor vehicles must be recorded with the Department of Motor Vehicles (DMV) to be recognized as a valid encumbrance by this agency.

15.6 Motor Vehicles

15.6.1 Definitions

Fair Market Value

To determine the Fair Market Value (FMV) the EW will use the information provided on the "Self-Certification Form For Motor Vehicles - CalWORKs" (CW 80). The county must accept an applicant's or recipient's self-certification of all vehicles in the AU, as well as any encumbrances.

Equity Value

The equity value of a vehicle needs to be determined only if it does not qualify for an exemption. Workers will use the information provided on the CW 80 form to determine the equity value of all vehicles. The equity value is equal to the fair market value less encumbrances. Effective June 1, 2020, any equity value exceeding \$25,000 shall be counted toward the AU's CalWORKs resource level.



Example:

FMV of the Motor Vehicle
 - Less Encumbrances
 = Total Equity Value



Example:

An AU self-certifies that they own a non-exempt motor vehicle with a FMV of \$23,500. The AU still owes \$5,450 on the vehicle (the encumbrance), resulting in a total equity value of \$18,050 for this vehicle. Since the total equity value is less than \$25,000, the value is excluded from resource consideration, and the equity of the vehicle will not be counted as a resource toward the AU's maximum resource limit. The equity (FMV - encumbrance) is less than \$25,000.

\$23,500	FMV of the Motor Vehicle
- \$5,450	Less Encumbrances
<hr/>	
= \$18,050	Total Equity Value
\$0	Amount Counted Toward Resource Limit

15.6.2 Chart to Determine Value of Motor Vehicles

Follow the steps below to determine the value of a motor vehicle:

STEP	ACTION	
1.	The TOTAL value of the vehicle is EXCLUDABLE when the vehicle meets the criteria below:	
	Criteria:	Description:
	AU's home.	Used as the AU's home.
	Physically disabled AU or non-AU member.	Used to transport a physically disabled AU or non-AU member, whether or not the ineligible physically disabled non-AU member's property is included in the property limit (i.e. undocumented non-citizen, sanctioned parent, SSI/SSP parent and/or child, etc.). The disability may be temporary or permanent. Verify the disability, if it is not evident.
	Produce income	Used to produce income over 50% of the time. If the vehicle was previously used over 50% of the time in self-employed farming, the exemption continues for one year from the date the self-employed farming stopped.
	Income consistent with fair market value.	Used to produce income consistent with its fair market value. (Income may be seasonal.) [Refer to "PERSONAL PROPERTY DIRECTLY RELATED TO THE USE OF SOME EXEMPT VEHICLES," page 15-5].
	Necessary for Employment	Used for long-distance travel necessary for employment, other than daily commuting.
	Transporting fuel or water.	Used to transport the AU's primary source of heating fuel or water.
	Prior use in self-employment farming	Due to the vehicle's prior use in self-employed farming over 50% of the time, the vehicle is exempt for one year from the date when self-employed farming stopped.
	Gifts/donations or family transfers (verification from DMV required).	Vehicles gifted, donated or transferred within the family (i.e. grandma gifts her granddaughter a vehicle).
<ul style="list-style-type: none"> • If the vehicle is excludable, document the case and STOP HERE. • If the vehicle is NOT excludable, go to STEP 2. 		
2.	Determine the vehicle's Equity Value (FMV - encumbrances).	
3.	Count any equity value in excess of \$25,000 towards the resource limit.	

15.6.3 Encumbrances

An encumbrance on a vehicle is the "pay-off" amount. This amount includes the principal plus any interest that is currently due on the vehicle. The "pay-off" amount does NOT include ALL the interest

that will become due and payable in the future. The EW MUST use the "pay-off" balance showing on a current monthly statement or contact the lender for the current pay-off amount.

The encumbrance is then subtracted from the Fair Market Value, resulting in the Equity Value.

15.6.4 "Self-Certification For Motor Vehicles - CalWORKs" CW 80

The "Self-Certification Form for Motor Vehicles" (CW 80) is a form used to identify and self-certify the value of vehicles owned by the AU. The CW 80 form is required when a recipient reports a vehicle that was not previously reported at the time of initial application, the previous SAR 7 or annual redetermination. Recipients will use the CW 80 to self-certify, under penalty of perjury, the FMV and encumbrances of their vehicle(s) and to identify exempt vehicles.



Example:

A recipient must complete the CW 80 when the SAR 7, or any other mid-period report, indicates that a vehicle has been acquired that was not previously reported.



Reminder:

The "Vehicle Information and Self-Certification of Equity Value" (Appendix E) of the SAWS 2 Plus is used by applicants to self-certify and identify the value of vehicles owned by the AU.

DMV Verification

DMV verification is required when a client states that a vehicle was obtained as a gift, donation, or family transfer. The client must be given adequate time to apply for and receive verification from the DMV. Use the following chart to determine when verification of a DMV transaction is due:

If the applicant/recipient has requested DMV verification, paid the fee, and...	Then the applicant/recipient...
Is currently waiting for the vehicle transfer verification,	Shall be given 30 days from the date of the verification request to provide the proof to the County.
It is determined that the DMV has failed to provide the transfer verification, at no fault of the applicant/recipient,	Shall be given an additional 30 days to submit the verification (60 days total from the date of the original request).

The EW shall accept a completed SCD 101 as verification of the value of the vehicle if the DMV verification is not received by the 60th day.

**Note:**

The County must assist the client by paying the DMV fee if the applicant/recipient is unable to pay. All requests for assistance with the third party payment (i.e. DMV fee) must be approved by the designated CalWORKs liaison who, at the time of the request, shall contact the Program Bureau for further instructions.

15.6.5 Kelley Blue Book (KBB) Value

If the client requests assistance in determining the Fair Market Value (FMV) of a vehicle, the worker will utilize the on-line “Kelley Blue Book” website. Information regarding the vehicle’s year, make, model and number of doors is required.

When using the on-line KBB follow these steps:

- Go to www.kbb.com.
- Select Search by: “Year, Make & Model”,
- Enter the Year, Make, Model then click on the “GO” arrow,
- Select “Trade-In Value”,
- Select the “Trim” (body type),
- On the Select Equipment page, **only enter vehicle mileage** (12,000 x age of car) **and the client’s zip code or office zip if the client is homeless** (use the existing auto-populated equipment values - DO NOT add additional equipment).

**Example:**

An 8 year old car would have a mileage value of 96,000. It is calculated by 12,000 x age of car (8) = 96,000.

- On the Select the Vehicle Condition page, select “Fair” as the condition unless the client indicates otherwise.
- The “Trade-In Value” is displayed and will be used as the FMV of the vehicle.
- Print a copy of the “Trade-In Value” page and have it IDM’d to Benefits-F2.

15.6.6 Salvage Title

DMV defines a salvage vehicle as “a vehicle which has been wrecked, destroyed, or damaged to the extent that the insurance company considers it uneconomical to make repairs to the vehicle and the vehicle is not repaired by or for the person who owned the vehicle when the damage occurred.” The vehicle’s title will contain a notation identifying the vehicle as a salvage vehicle. A vehicle with a salvage title must be valued in the same manner as all other vehicles. If the client disagrees with the value determined, it must be given the opportunity to acquire verification of the true value from a reliable source.

15.6.7 Vehicle Examples



Example:

#1 -The applicant or recipient owns a non-exempt vehicle with an equity value that exceeds \$25,000. The AU self-certifies on the CW 80 that the FMV is \$35,000, and they owe \$5,000. After subtracting the amount owed on the vehicle from the FMV, the worker determines the equity value of the motor vehicle is \$30,000. In this case, the equity value of the vehicle exceeds the \$25,000 limit by \$5,000. The \$5,000 is counted toward the AU’s maximum resource limit. If the AU’s total assets, including the \$5,000, fall below the \$10,000 (or \$15,000 for families with aged/disabled household members) maximum resource limit, the AU is resource-eligible.

Computation of equity counted toward the vehicle resource limit:

\$35,000	FMV of the motor vehicle
- \$ 5,000	Less Encumbrances
<u>\$30,000</u>	Total Equity Value
- \$25,000	Less \$25,000
 =\$ 5,000	Amount Counted Toward Resource Limit



Example:

#2 -This example shows a client who received a vehicle from her father and provides the county with verification from DMV that the vehicle was a gift. Regardless of the value of this motor vehicle, because it was given to her as a gift, the vehicle is completely exempt from consideration as a resource. Even if the FMV of the motor vehicle is well over the \$25,000, the county may not inquire into or determine the value, or count the value of the motor vehicle toward the AU’s \$10,000/\$15,000 resource limit. The county wouldn’t need to perform a calculation; however, the client will need to obtain verification from DMV that the vehicle is a gift/donation, or family transfer.

15.7 Discrepant or Unreasonable Self-Certifications

As with all CalWORKs eligibility determinations, if the County has reason to believe the information provided by the client may be questionable or incorrect, and that this potential discrepancy would affect the AU's eligibility for assistance, the EW must take steps to resolve potential discrepancies with the client.



Example:

A client states on the CW 80 that she has a late model vehicle valued at \$2,000 but does not provide any information on the CW 80 to explain the very low value. Since new cars have a value that significantly exceeds \$2,000, it is reasonable for the EW to question the accuracy of the estimated FMV. The EW must contact the client to inquire whether the client may have made a mistake.

The following is an example of a possible mistake a client may make:



Example:

The client could have written \$2,000 instead of \$22,000; it could be a salvage car; she could have confused equity value with FMV, etc.. The worker would permit the client to correct the CW 80 and would re-evaluate the AU's eligibility. If the client is not able to explain the low value and does not submit a corrected CW 80, the worker will deny/discontinue the case for exceeding the property limit.

15.8 Re-Evaluation

A vehicle must be evaluated at application. Any additional vehicle that an AU acquires while on CalWORKs must be evaluated at the time of acquisition. However, once a vehicle has been evaluated, it does NOT need to be re-evaluated until the next annual redetermination (RD).

15.9 Vehicle Overview

- When a vehicle meets any of the following criteria, the vehicle is exempt from the equity value test:
 - is used primarily for income-producing purposes;

- annually produces income that is consistent with its FMV, even if only on a seasonal basis;
- is necessary for long-distance travel, other than daily commuting, that is essential to the employment of a family member;
- is used as the family's residence;
- would be exempted under any of the above exemptions, but the vehicle is not in use because of temporary unemployment;
- is necessary to transport a physically disabled family member, including an excluded disabled family member, regardless of the purpose of the transportation;
- is used to carry fuel for heating or water for home use, when the transported fuel or water is the primary source of fuel or water for the family;
- was transferred to the client as a gift, donation family transfer;
- is used by an AU member under the age of 18 for the purposes of commuting to and from employment; or
- is used by an AU member under the age of 18 for the purposes of training or education which is preparatory to employment or to seek employment.

Use the equity value of any additional vehicle(s) not meeting any of the categories listed above.

