

# Directive

## Directive: Asset Limit

<b>Issue Date:</b>	July 14, 2020	<b>Directive No.:</b>	AHDIR2022-02
<b>Revision Date:</b>	June 9, 2022	<b>Revision No.:</b>	2

**Applicable Policy:**

**Type:**

*The policies and procedures in this Directive are applicable to all affordable units funded by the Canada-Ontario Affordable Housing program.*

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Elgin Seniors Housing Development      | <input checked="" type="checkbox"/> 2049515 Ontario Inc.                              |
| <input checked="" type="checkbox"/> United Counties of Leeds and Grenville | <input checked="" type="checkbox"/> Community Living North Grenville                  |
| <input checked="" type="checkbox"/> Community Involvement<br>Legacy Homes  | <input checked="" type="checkbox"/> Marguerita Residence Corp.<br>Wall Street Village |

### BACKGROUND

The United Counties of Leeds and Grenville has revised the household asset limit policy for social housing applicants in the service area, in response to amendments being made to Ontario Regulation 367/11 under the *Housing Services Act, 2011*. The amendments include: increasing the minimum asset threshold, updating the list of exempt assets, allowing for extenuating circumstances to be considered with regard to household assets, and exempting social assistance recipients from the local asset limit.

### PURPOSE

The purpose of this Directive is to communicate the new household asset limit and other revisions to the asset policy, and to provide the steps to assess assets for applicants for Affordable Housing units located in Leeds and Grenville.

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### ACTION TO BE TAKEN

1. Effective July 1, 2022, this asset policy applies to all applicants applying for Affordable Housing units located in the United Counties of Leeds and Grenville. See **Asset Policy HDPOL34** (Appendix A) for policy details.
2. As there is currently no eligibility review completed for Affordable Housing tenants after move-in, there will be no assessment on household assets completed for current tenants.
3. The Housing Provider shall update all relevant forms for Affordable Housing Applications, as applicable, to collect information on household assets. See **Included and Excluded Assets that Require Documentation** (Appendix B) for further information on what is included or exempt, and what supporting documentation are acceptable.

### Joint Assets

4. Joint assets are reviewed as a part of the assessment process.
5. Where the applicant/tenant has assets that are jointly owned for the purpose of managing another person's finances (e.g. an elderly parent), documentation must be provided to confirm that the asset legally does not belong to them, such as Power of Attorney or trust account documentation. A letter or informal agreement provided by the joint account holder is not sufficient.
6. Assets held jointly by a common-law or married couple that are separating, or an SPP applicant that is being sponsored by their abuser shall be temporarily exempt until assets have been divided during the legal separation process or sponsorship has ended (as applicable). Verification of the status of the division of assets and legal separation process or breakdown of sponsorship is required (e.g. court documents or other acceptable verification).
  - a. Where the applicant or tenant is determined as "Special Priority Placement", discretion shall be used in the collection of documents, as per the Request for Special Priority Placement Category Policy HDPOL29.
7. Assets are no longer exempt once assets have been divided during the separation or breakdown of sponsorship process.
8. The full asset (100%) is attributed to applicant/tenant where circumstances outlined and verified in #5 and #6 are not applicable.
9. Assets held jointly with a party that is not a member of the tenants' household are considered in the household's asset assessment.

### Cashable and Non-Cashable Investments

10. Some investments are not cashable, such as Life Income Funds (LIFs); some are not cashable until the maturity date, such as non-cashable Guaranteed Investment Certificates (GICs); and some investments are cashable (e.g. TFSA's, GIC's), and may or may not have a penalty charged.

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**ACTION TO BE TAKEN**

11. The applicant/tenant must provide clarification and acceptable documentation of any assets that are not cashable. Non-cashable assets can be verified either through the completion of the **Investment Verification Form** (Appendix C), or a written statement from the financial institution. Review of whether an asset is cashable or non-cashable is not required when the total household assets do not exceed the maximum asset limit.

**Applicants**

12. Assess household assets, except for households where all members are in receipt of social assistance (i.e. basic financial assistance from Ontario Works or income support from the Ontario Disability Support Program) when verifying applicant eligibility for an Affordable Housing unit:
  - a. At the time of application (note: the SHR will complete this for Providers that house applicants through the SHR);
  - b. Annual Review; and
  - c. During the offer process when confirming applicant eligibility.
13. If household assets are in excess of the limit established in the Asset Limit Policy (HDPOL34), the applicant is determined ineligible for Affordable Housing and is not offered the unit.
  - a. The Social Housing Registry (SHR) is responsible to notify applicants that applied through the SHR. See the Application for Subsidized Housing and Waitlist Administration Directive (DIR2020-01) for steps when the applicant is determined ineligible.
  - b. Housing providers that maintain their own waitlist must notify the applicant using the **Applicant Ineligible Due to Assets in Excess Letter** (Appendix D). See Application Process for Affordable Rental Housing Directive (AHDIR2020-01) for steps when the applicant is determined ineligible.
14. The applicant may reapply when asset levels decrease to less than the asset limit.
15. Assets disposed of near the time of application or offer must be assessed to determine if they were disposed of adequately. See "Determination of Adequate Disposal of Assets".

**Current Tenants**

16. There is no ongoing eligibility assessment for Affordable Housing tenants, therefore no action is taken.
17. Should an Affordable Housing tenant transfer to another Affordable Housing unit, the household income and assets shall be re-assessed prior to move-in.

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**Determination of Adequate Disposal of Assets**

18. When a household's total assets were less than the asset limit prior to disposal, an assessment of whether assets were adequately disposed of is not completed.
19. Request verification of how assets were disposed of within the past 12 months, when an applicant has disposed of assets that had placed the household above the asset limit.
20. Determine if the asset(s) were disposed of adequately, as per direction outlined in the "criteria" section of the enclosed Asset Policy HDPOL34.
21. When it has been determined that the household did not dispose of assets adequately, the value of the asset will be recorded as a "ghost asset" and included in the household eligibility assessment. See the Asset Policy and **Improperly Transferred Assets Job Aid** (Appendix E) for details on the depreciation of the value of the ghost asset.
22. Follow the appropriate action where it has been determined that an applicant's assets were not transferred adequately:
  - a) Where the housing provider houses applicants through the SHR: notify the SHR of the decision. The SHR is responsible to notify the applicant of the decision in writing.
  - b) Where the housing provider houses applicants through their own waitlist: notify the applicant in writing of the decision, using the **Applicant Ineligible for Subsidized Housing Inadequate Transfer of Assets Letter** (Appendix F).

**Determination of Extenuating Circumstances**

23. The Housing Provider will be notified at the time of vacancy if the Service Manager previously approved a household on the waitlist for extenuating circumstances regarding their household assets (in the case of Housing Providers that use the Social Housing Registry Waitlist).
24. If a household is a survivor of domestic violence, human trafficking, or abuse from their immigration sponsor, is otherwise eligible for Affordable Housing and is experiencing extenuating circumstances regarding their assets, the Housing Provider will contact the Policy and Program Review Analyst for discussion and review.
25. Where the household is experiencing an "extenuating circumstance" and that failure to provide Affordable Housing places the household at-risk from domestic violence, the Service Manager may approve to exclude a household's assets.

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**APPENDICES**

- Appendix A.....Asset Policy
- Appendix B.....Included and Excluded Assets that Require Documentation
- Appendix C..... Investment Verification Form
- Appendix D..... Applicant Ineligible Due to Assets in Excess Letter
- Appendix E..... Improperly Transferred Assets Job Aid
- Appendix F..... Applicant Ineligible for Subsidized Housing Inadequate Transfer of Assets Letter

If you have any questions, please contact the following:

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**Chris Morrison, Manager  
 Housing Department**

June 9, 2022

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**Date**