

<b>Policy:</b>	<b>Asset Limit Policy Community and Social Services Division Housing Department</b>
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<b>Legislative Authority:</b>	<b>O. Reg. 367/11 s.35</b>
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<b>Policy No.:</b>	<b>HDPOL34</b>
<b>Issue Date:</b>	<b>March 15, 2021</b>
<b>Revision Date:</b>	<b>March 2, 2022</b>

Page 1 of 5

## Background

The *Housing Services Act, 2011* provides the United Counties of Leeds and Grenville, as Service Manager, the flexibility to set asset limits for subsidized housing applicants, and tenants in the service area. Ontario Regulation 367/11 specifies the minimum asset limit that can be set, and the types of assets that must be excluded.

## Policy Statement

Effective April 1, 2021, the United Counties of Leeds and Grenville (Leeds Grenville) has established new local eligibility rules that will restrict households with high assets from qualifying for rent-gearred-to-income and Affordable Housing units in Leeds and Grenville. The asset limit is intended to ensure that available housing subsidies are targeted for those with the greatest financial need.

## Definitions

**Fair Market Value:** means the money that would have been received if the asset(s) were sold in a competitive situation, taking into consideration the conditions of the market and the attributes of the asset, such as age, condition (e.g. operational status), demand for and location of the asset.

**Ghost Asset:** when it has been determined that an asset has been disposed of inadequately (i.e. with an intent to qualify for subsidized housing), the fair market value of the asset prior to disposal is included in the households countable assets. This asset will be recorded as a "ghost asset".

**Joint Assets:** are assets where two or more people have ownership rights. Joint owners are often married or common-law spouses, or an older-adult and their adult child(ren).

Policy:

Asset Limit Policy

Policy No.: HDPOL34 Issue Date: March 15, 2021 Revision Date: March 2, 2022

Page 2 of 5

## Criteria

1. Effective April 1, 2021, an asset limit of \$35,000 per household applies to all applicants and tenants residing in rent-gear-to-income and Affordable Housing units located in the Leeds and Grenville.
2. Current tenant households will transition to the new asset policy effective the date of their first Annual Review that is due on or after April 1, 2021.
3. Assets held jointly with a party that is not a member of the tenants' household are considered in the household's asset assessment. Assets held jointly by a common-law or married couple that are separating shall be temporarily exempt until assets have been divided during the legal separation process.
4. Assets specified in Ontario Regulation 367/11, Section 35 (5) that are exempt from the asset limit:
  - a. The value of the interest in one motor vehicle that is not used primarily for the operation of a business by a member of the household. See #5a for information on additional personal vehicles.
  - b. The value of tools of a trade that are essential to the work of a member of the household as an employee.
  - c. The value of assets that are necessary to the operation of a business that the member operates or has an interest in, subject to:
    - i. the value of assets of a member of the household, up to a maximum of \$20,000 for that member; and
    - ii. the value of assets necessary to the operation of a business, up to a maximum of \$20,000 for that business.
  - d. The value of a prepaid funeral.
  - e. The cash surrender value of a life insurance policy, up to \$100,000.
  - f. The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services.
  - g. A payment received under the *Ministry of Community and Social Services Act* for the successful participation by a person in a program of activities approved by the administrator that will assist the person with the following:

Policy:	Asset Limit Policy
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Policy No.:	HDPOL34	Issue Date:	March 15, 2021	Revision Date:	March 2, 2022
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- i. The successful completion of a high school diploma.
      - ii. The development of employment-related skills.
      - iii. The further development of the person's parenting skills.
    - h. A Registered Education Savings Plan (RESP) for a child of a member of the household.
    - i. The value of the clothing, jewelry and other personal effects of a member of the household.
    - j. The value of the furnishings in the accommodation used by the household, including decorative or artistic items, but not including anything used primarily for the operation of a business.
    - k. The value of the beneficial interest in a trust of a member of the household who has a disability, if the capital of the trust was derived from an inheritance, or from the proceeds of a life insurance policy, up to \$100,000.
    - l. The value of funds held in a Registered Disability Savings Plan (RDSP), if the beneficiary of the plan is a member of the household.
    - m. The value of funds held in an account of a member of the household in conjunction with an initiative under which the service manager, or an entity approved by the service manager, commits to contribute funds towards the member's savings goal. For example: a scholarship program for post-secondary education.
  - 5. In addition to assets specified as exempt in the regulation, the following are also exempt from the asset limit:
    - a. A second household vehicle (i.e. car, truck, van, motorcycle) valued up to \$15,000. The household vehicle exemption does not refer to recreational vehicles, e.g. boat, snowmobile, all-terrain vehicle, camper.
    - b. Funds held in trust that are not accessible to the applicant or tenant, under the terms of the trust.
  - 6. Locked-in investments that are not cashable by the applicant/tenant, are not included as assets. Example: Locked-in Retirement Account (LIRA), Locked-in Retirement Income Fund (LRIF), Restricted Life Income Fund (RLIF), Locked-in Income Fund (LRIF), Life Income Fund (LIF), Non-Cashable GIC.
  - 7. Where an asset is verified as locked-in for a limited term (e.g. non-cashable Guaranteed Investment Certificate), the value is exempt until the maturity date.
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Policy:

Asset Limit Policy

Policy No.: HDPOL34 Issue Date: March 15, 2021 Revision Date: March 2, 2022

Page 4 of 5

8. An asset is reduced by the amount of a verified debt owing against it (e.g. vehicle loans, lien, and mortgage).
9. Non-exempted assets disposed of prior to application, offer, or the annual review, must be assessed to determine if they were disposed of adequately. An assessment of adequate disposal of assets does not take place if the total value of household assets were less than the asset limit prior to disposal.
10. The following will be taken into consideration when assessing whether the disposal of assets was adequate:
  - a. Fair market value of the disposed asset;
  - b. Verification of debts owing;
  - c. Repetitive history of disposing of assets inadequately;
  - d. Situation of the applicant or tenant at the time of disposal (e.g. family crisis);
  - e. Disposal of asset close to the time of application or Annual Review (i.e. may indicate disposal with intent to qualify);
  - f. Time that has elapsed since the disposal of the asset; and
  - g. The applicant or tenant's current income and expenses.
11. An applicant/current tenant may choose to use their savings or the proceeds from the sale of an asset to pay off a formal debt (e.g. bank loan). The asset must be sold for fair market value, and the use of the asset is verified (e.g. debt repayment).
12. When it has been determined that the household did not dispose of assets adequately (i.e. receive fair market value), the fair market value of the asset will be taken into consideration of the households asset levels, and recorded as a "ghost asset".
  - a. The ghost asset is to be reduced in value by \$1,000 per month, from the date that the asset was disposed of/transferred.

## Responsibilities

### Case Manager

- Determine eligibility for rent-geared-to-income assistance and Affordable Housing.
  - Determine if assets were disposed of adequately.
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Policy:	Asset Limit Policy
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Policy No.:	HDPOL34	Issue Date:	March 15, 2021	Revision Date:	March 2, 2022
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**Program Supervisor**

- Provide direction to the Case Manager when making a determination whether assets were disposed of adequately.

**REVIEWED AND APPROVED BY:**



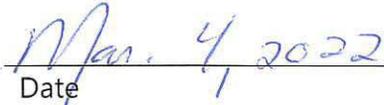
Chris Morrison, Manager  
Housing Department



Date



Alison Tutak, Director  
Community and Social Services Division



Date