

## RESOURCES

### MORTGAGES AND CONTRACTS OF SALE

**Interpretation:** The local district evaluates whether or not there is a legal impediment to transferring/selling the mortgage/contract of sale. If there is a legal impediment to transferring/selling, the mortgage/contract of sale, then it is considered an unavailable resource.

**NOTE:** For applications filed on or after August 1, 2006, for nursing facility services, including requests for an increase in coverage of nursing facility services, if an A/R or the A/R's spouse purchases a loan, promissory note or mortgage, the funds used are to be treated as a transfer for less than fair market value unless certain criteria are not met. (See **RESOURCES TRANSFER OF ASSETS: ALL CATEGORIES** for more information.)

**When to Verify:**

- (a) When the A/R indicates that s/he owns a mortgage, contract of sale or life estate;
- (b) When the A/R indicates ownership of property other than a homestead;
- (c) When the A/R indicates that s/he has transferred property;
- (d) When the A/R indicates that s/he receives income from property;
- (e) When the A/R indicates that s/he does not have a shelter expense.

**Verification:** The existence and terms of mortgages and contracts of sale are verified by seeing the actual mortgage certificate or contract document. If this is not possible, the attorney who handled the mortgage contract, when one was involved may provide verification.

**Documentation:** Sufficient to establish an audit trail: