

RESOURCES

PROMISSORY NOTES

Policy: Promissory notes owned by an SSI-related A/R or a legally responsible relative are evaluated when determining eligibility for Medicaid. The countable values of promissory notes are considered resources of the A/R.

References:

SSL Sect.	366 366.2 366-ee
Dept. Reg.	360-1.2 360-2.3 360-4.4
ADM	10 OHIP/ADM-01
GISs	09 MA/027 98 MA/030

Interpretation: A promissory note is a written, unconditional promise, signed by a person, to pay a specified sum of money at a specified time or on demand to the person named on the note. For the owner, (i.e., seller or creditor) of the agreement, a promissory note, if negotiable, is considered a resource in the amount of the outstanding principal balance. (See **RESOURCES TRANSFER OF ASSETS** for further information on promissory notes.)

A promissory note owned by an SSI-related A/R or his/her legally responsible relative, if negotiable, is considered a resource in the amount of the outstanding principal balance. Districts should obtain a copy of the promissory note and assume, absent evidence to the contrary, that the note is bona fide and negotiable.

Regardless of whether the promissory note is negotiable, any payments of principal and interest made toward satisfaction of the note are considered income to all A/Rs in establishing or evaluating continued eligibility for assistance.

Verify Status: When the A/R indicates that s/he or a member of the household owns a promissory note.