

**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.

**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:

- (a) Type of document, name of owner, date of contract/mortgage, date of maturity, current value, value at maturity;
- (b) Name, address and title of person providing information.