

Department of Public Health
and Human Services

Section:
RESOURCES

TANF Cash Assistance

Subject:
Vehicles

Supersedes: FAIM 403-1; 05/01/00

References: ARM 37.78.102; .401;

GENERAL RULE--The equity value of all vehicles owned by filing/assistance unit members must be evaluated when determining the amount of the household's countable resources.

If the title of the vehicle lists only one name, the vehicle belongs to that individual, regardless of accessibility. Leased vehicles are not owned by the individual and therefore only need to be documented on TEAMS case notes (CANO screen). If a vehicle is in the process of being bought or sold, clearly document in TEAMS case notes what verification was used to determine ownership.

Vehicles which generally provide a means of transportation (e.g., boat, airplane, car, truck, motor home, motorcycle, snowmobile or three/four wheeler) are entered on the VEHI screen, even if they are not in operating condition.

≥ **NOTE:** One vehicle used as a home can be entered on the OTAS screen even if it is also a means of transportation (TYPE code: 'HM'). The vehicle's equity value will be excluded as a resource as long as it is used as a home. When the vehicle is no longer used as a home, the information is removed from the OTAS screen and re-entered on the VEHI screen with the appropriate Type and Use codes.

Vehicles which do not provide a means of transportation (i.e., camper or trailer) are entered on the OTAS screen.

JOINTLY-OWNED VEHICLES

If the title lists more than one name, the vehicle is considered jointly-owned. A jointly-owned vehicle is always assumed accessible to the applicant/participant unless he/she can thoroughly explain and verify why it cannot be sold.

NOTE: Do not use the percent owned field on VEHI.

DETERMINING ACCESSIBILITY

The following guidelines should be used.

1. If the applicant/participant **has possession** of his/her jointly-owned vehicle, the equity value is countable in full to the filing unit

regardless of whether or not the other owner(s) agrees to sell the vehicle.

NOTE: If a jointly-owned vehicle's ownership is being considered in a legal proceeding and the owners are prohibited from selling the vehicle, it is considered inaccessible and, therefore, excluded until such time as the applicant/participant can legally sell the vehicle. (Legal prohibition includes, but is not limited to, court injunction and probate which might occur during a divorce action.)

EXAMPLE: An applicant jointly-owns a car with her mother (both names appear on the title). The applicant has full use of this vehicle on a daily basis and there is no legal barrier to selling the vehicle.

ACTION: The car is accessible and its value is counted in full (TEAMS Type Code: 'CA'; Use Code: 'GX').

2. If the individual does **not have possession**, he/she must demonstrate why he/she cannot access the value of the vehicle. For example, the joint-owner's location is unknown, the co-owner refuses to sell, or legal action is taken to prevent sale of the vehicle. Verification of the circumstances should be obtained, if at all possible. If the applicant/participant cannot give a thorough and convincing argument as to its accessibility, the vehicle is considered accessible and countable.

EXAMPLE: An applicant jointly-owns a car with her estranged husband. He has possession of it.

ACTION: Consider the vehicle accessible to the applicant unless legal action prevents both parties from disposing of the vehicle, her husband cannot be located, or he refuses to sell the vehicle (Type Code: 'CA'; Use Code: 'GX'). If the circumstances are verified and it is determined the vehicle is not accessible, enter the Vehicle Type code as 'IA' on the VEHI screen. Set an alert to review periodically.

Vehicles determined to be inaccessible are entered on either the VEHI or OTAS screen using the vehicle Type Code of 'IA'. Document TEAMS case notes (CANO) explaining why the vehicle is inaccessible. Advise the household to report changes in accessibility and/or ownership.

**DUPLICATE
VEHICLE**

If the joint-owners of an accessible vehicle are required filing unit members, enter the vehicle information (year, make, FMV, amount owed, etc.) on TEAMS using the appropriate vehicle Type Code against only one of the owners. To determine which owner should have the accurate information, choose the 'PI' (TEAMS Primary Information Person) or the first person listed on the case. If this person is not a joint-owner, choose one and document TEAMS CANO.

For all other joint-owners in the filing unit, either coded 'IN' or 'OU', enter the vehicle information again, exactly the same (make, year, etc.) EXCEPT enter the fair market value (FMV) as \$1.00 and the Amt Owed as \$1.00. TEAMS will consider this "duplicate" vehicle's equity value as zero and the information regarding joint-owners will be recorded on TEAMS for tracking purposes. Document TEAMS CANO.

NOTE: Until the TEAMS enhancement is completed, **do not use the duplicate vehicle Type code 'DV' and do not enter information in the "Percent Own" field.** Set an alert on ETAL for the next redetermination to reevaluate accessibility and/or ownership.

Joint-owners who are not required filing unit members (not listed or coded 'OU' on the SEPA screen must be documented on TEAMS case notes (CANO). If the vehicle is considered inaccessible, the case note must include what verification was used to support inaccessibility.

**FAIR MARKET
VALUE**

The standard references for determining fair market value of cars and light trucks up to 25 model years old are the NADA Guides (Blue Book). Use the average trade-in value listed as the vehicle's current fair market value. Do not increase the value of the vehicle by adding the value of low mileage or other factors such as optional equipment.

When the vehicle in question is too old to be listed but is less than 25 years old, assume that the average trade-in value is equal to that of the oldest listed vehicle of like make and model. Use of the NADA guides may not be appropriate if the make and model of the vehicle is not listed or if the vehicle is 25 years old or older. These older vehicles may have greater value as a classic or antique and should be independently valued.

**DETERMINING
EQUITY VALUE**

The vehicle's equity value is counted toward the \$3000 limitation. Equity value is determined by deducting the amount owed (liens/ encumbrances) from the fair market value. Fair market value is determined by checking the NADA Official Used Car Guide.

EXAMPLE: A vehicle's average trade-in value listed in the NADA is \$2400. The individual owes \$400 to the lending institution. The vehicle's equity value is \$2000. TEAMS will automatically calculate equity value based on the fair market value and encumbrances (amount owed) entered by the Eligibility Case Manager.

KNOWLEDGEABLE SOURCE

The applicant/participant may contact a knowledgeable source to obtain other appraisals at his/her own expense. These appraisals will be considered with any other evidence, including the NADA guide value, to arrive at a fair market value.

Appraisals should be from a knowledgeable source such as an automobile or truck dealer, an automobile insurance company or the Montana Automobile Dealers Association. Document the information and the action taken in TEAMS case notes (CANO).

The following vehicles require verification from a knowledgeable source such as a county assessor or car dealer.

1. A new vehicle which is not yet listed in the NADA guide.
2. A vehicle which is no longer listed in the NADA guide and the applicant/participant's estimate of the value is questionable.
3. The owner does not agree with the NADA guide value.
4. A vehicle is considered an antique/classic or is custom built.

EXCLUDED VEHICLES

The following vehicles are considered excluded resources in the eligibility determination.

1. Vehicles considered inaccessible (Type code: 'IA' on either OTAS or VEHI).
2. One vehicle being used as a home (Type code: 'HM' on OTAS).
3. Vehicles whose primary use is to produce income; e.g., taxi, semi-truck, fishing boat; (Use code: 'PI' on VEHI).
4. Vehicle previously used for self-employment; e.g., logging truck; but is no longer income producing because the participant is no longer engaged in that business. The exclusion is only allowed if the individual intends to use the vehicle for self-employment within one year from the date the self-employment business was terminated (Use code: 'PI' on VEHI). Set an alert on ETAL to update the case one year from the date self-employment business was terminated.

5. One vehicle with the highest equity value. TEAMS evaluates the equity value of all vehicles coded 'GX', 'IR', and 'NH' and excludes the vehicle with the highest equity value.

COUNTABLE VEHICLES

The **equity** value of all non-excluded accessible vehicles owned by a filing unit member will be counted against the \$3000 resource limitation.

EXAMPLE: Three accessible vehicles are owned by required filing unit members.

ACTION: Evaluate for use as possible income-producing activity. It is determined that one vehicle is used to produce income ('PI' Use Code). The other two are for general use ('GX' Use Code). The income-producing vehicle will be excluded. One vehicle coded 'GX' with the highest equity value will also be excluded. The remaining vehicle's equity value is countable with all other countable resources in testing against the \$3000 the resource limitation.

TEAMS PROCESSING

All vehicles, even if determined to be excluded or inaccessible, must be entered on TEAMS using the appropriate Type and Use Codes.

NOTE: Leased vehicles are not considered owned by the filing unit. The P-Justice interface will show the lessor's name (car dealer) instead of the applicant/ participant's name. An alert should be set on the ETAL screen for the lease contract end date. If the applicant/participant purchases the vehicle, an evaluation of its use and accessibility must be completed and the information entered on TEAMS.

COMBINATION CASES

When a case involves Food Stamp and/or TANF Cash or FMA in combination with SSI-MA, the worker will need to employ a three-step process for TEAMS coding as follows:

1. Code vehicles owned by the SSI-Medicaid required filing unit members using the 'GX', 'OT' and 'NH' use codes as appropriate.
2. If the SSI required filing unit member is also on Food Stamps, update the 'GX' use codes to 'PI' or 'IR' if appropriate. Update the 'OT' or 'NH' codes to 'IR' if appropriate.
3. Code vehicles for those required in the Food Stamp, TANF or FMA filing unit(s) that are not required in the SSI-MA filing unit.

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NOTE: 'IR' and 'PI' use codes are treated as 'GX' for SSI-related Medicaid programs. 'IR' and 'NH' are treated as if they are 'GX' for TANF and FMA cases.

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