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## K. Home Property

### Policy

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## Policy

The policy for how a customer's home property is counted is covered in the following sections:

- General rules for home property;
- Home property equity value limit; and
- Sale of home property.

### 1) General Rules for Home Property

The value of real property or a life estate interest in real property is generally counted as a resource. However, the customer's home property or life estate interest in home property is excluded when any of the following conditions is met:

- The customer or spouse lives in the home property;
- The customer is absent from the home property due to institutionalization but the customer's spouse or dependent relative lives in the property as his or her principle residence;
- The customer lived in the home property, is absent due to institutionalization, but intends to return to the home. For life estates, the customer must have lived in the home property before entering the institution;

**NOTE** If the home property is located out-of-state and the customer's spouse or dependent does not live in the home, state residency policy applies. A person cannot intend to return to a home out of state and also be considered an Arizona resident. If the customer is an Arizona resident, the out-of-state property cannot be excluded as home property.

- The home property produces income (regardless of its value, rate of return or current use).

See [Life Estate Interests as Home Property](#) for examples of how home property policy applies to life estates.

NOTE When the customer purchased a life estate in another person's home, it must be evaluated as a transfer (see [MA903](#)).

## 2) Home Property Equity Value Limit

If the equity value of customer's ownership interest in the home property is over the limits in the following table, the customer qualifies for ALTCS Acute Care services only, and cannot receive long term care services:

Home Equity Limit		
Effective 1/1/13 to 12/31/13	Effective 1/1/14 to 12/31/14	Effective 1/1/15 to 12/31/15
\$536,000	\$543,000	\$552,000

SEE [HOME PROPERTY EQUITY VALUE](#) FOR INSTRUCTIONS.

### Exceptions:

This policy does not apply to customers who meet any of the following conditions:

- Approved for ALTCS before July 1, 2006 and have had no break in ALTCS eligibility since July 1, 2006;
- The customer's spouse lives in the home;
- The customer's child under age 21 lives in the home;
- The customer's child lives in the home and is blind or disabled, as determined by Supplemental Security Income (SSI-Cash) rules (see [MA504](#) and [MA509](#)).

Ineligibility for long term care services based on equity value of home can be waived if the customer can demonstrate undue hardship. All of the following must be met to establish undue hardship:

- The customer must be otherwise eligible for ALTCS benefits;
- The customer must be unable to obtain medical care without receipt of ALTCS;
- The customer is incapacitated, as determined by a physician;
- The customer is unable to participate in the sale of the property; and

- There is no one with the legal authority to sell the property on the person's behalf.

### 3) Sale of Home Property

When a customer sells his or her home property the net proceeds may be excluded for up to three months when the customer plans to use money to buy another home property. Buying another home property includes any of the following costs:

- Down payment;
- Settlement costs;
- Loan processing fees and points;
- Moving expenses;
- Necessary repairs to or replacements of the new home's structure or fixtures that are identified and documented before moving into the home;
- Mortgage payments; and
- Other costs identified and documented before buying or moving into the new home. These costs must be directly related to the purchase.

If the customer received the proceeds from the sale of home property under an installment contract, the contract is excluded for as long as the customer plans to use the entire down payment and the entire principal portion of the installment payment to buy another home, and does so within three months of receiving any payment.

SEE [PREVIOUS HOME PROPERTY SOLD ON CONTRACT](#) FOR AN EXAMPLE.

The proceeds from the sale of a home are excluded until the last day of the third full month following the month of they were received. If the home is not replaced within the three-month period, proceeds from the sale are counted as a resource.

If the proceeds from the sale of the original home are more than the costs of buying the new home, the excess amount is counted as a resource.

#### Exception:

The three-month exclusion does not apply when the home property is sold after the customer is institutionalized, unless the property was excluded because it was the principle residence of the customer's spouse or a dependent relative.

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## Definitions

Term	Definition
Home Property	<p>Property that serves as a person's principal place of residence, and includes the shelter in which the person lives, the land on which the shelter is located and related outbuildings. It can be real or personal property, fixed or mobile, and may be located on land or water.</p> <p>This also includes property that is adjacent or contiguous to the home property and any other buildings located on that land. Land parcels which are joined side-by-side, corner-to-corner, or in any other fashion are considered adjacent or contiguous to each other. This means that the properties are next to or connected to each other and not separated by property owned by someone else.</p> <p>NOTE Easements or public rights of way (streets, roads, utility lines, etc.) are not considered to separate land. For example, two pieces of land on opposite sides of a road are considered adjacent. In the same manner, watercourses, such as streams and rivers, do not separate land.</p> <p>A person does not have to own the shelter to consider the land part of the home property. For example, the customer lives on his own land in someone else's trailer.</p>
Principal Place of Residence	The residence established as the person's home.
Dependent Relative	<p>A son, daughter, grandson, granddaughter, stepson, stepdaughter, in-laws, mother, father, stepmother, stepfather, grandmother, grandfather, aunt, uncle, sister, brother, stepbrother, stepsister, half-sister, half-brother, niece, nephew or cousin, who is a dependent of the customer.</p> <p>Dependency may be of any kind (for example, financial, medical, etc.).</p>

## Proof

Proof of ownership:

The following may be used for proof of property ownership:

- Deed;
- Assessment notice;
- Current tax bill;
- Current mortgage statement;
- Report of title search;
- Wills, court records, or relationship documents which show rights of an heir to the property after death of the former owner.

Proof of Home Property equity value:

If the customer is exempt from the Home Property Equity Value Limit, proof of the property value is not needed. If the customer is not exempt, the following may be used for proof of the home property's equity value:

- County Assessor's Office records;
- Assessment notice;
- Current tax bill;
- Mortgage documents showing the loan balance;
- Court documents or County Recorder's Office records showing the balance of liens against the property.

Proof of adjacent or contiguous property:

When there is information that part of the home property is not adjacent or contiguous to the home plot, the following may be used to determine if the property is separated from the home:

- The tax assessment;
- Property title;
- Deed;
- Collateral contact with the County Assessor's Office; or
- Other official document showing property boundaries.

SEE [DETERMINING IF PART OF THE HOME PROPERTY IS NOT ADJACENT OR CONTIGUOUS WITH THE HOME PLOT](#) FOR INSTRUCTIONS.

Proof of intent to return home:

The customer must provide a written statement to document his or her intent to return home. The customer's statement is accepted as proof unless it contradicts itself. When the statement does not make the customer's intent clear, proof must be obtained from other sources, such as a physician, close relative, or person in a position to know.

Proof of Home Property when more than one residence is owned:

Proof must be provided showing which residence is the home property. Proof includes:

- Voter registration or identification;
- Mailing address on recent tax forms;
- Address used by others to mail payments or benefits;
- Address from driver's license.

Proof of customer's spouse or dependent relative living in the home property:

A signed statement must be provided by the customer, spouse or dependent relative that the customer's spouse or dependent relative currently lives in the home. If the relative is other than the spouse, the statement must also describe the relative's relationship to the customer and the cause of dependency. The statement is accepted without further proof unless there is reason to question it.

Proof of intent to replace home property:

When the home property has been sold but will be replaced, obtain a signed Intention to Replace Home Property (DE-168) form to document the intent to use the proceeds to purchase a new home.

Proof of the amount of the proceeds and the dates and amounts of any allowable costs or deductions must be obtained. Proof includes, but is not limited to, the following:

- Contracts;
- Bills;
- Receipts; or
- Settlement sheets.

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## Legal Authority

Program	Legal Authority
ALTCS	42 USC 1382b(a)(1)  20 CFR 416.1212



Effective Until 01/07/2016