Vehicles

Supersedes: FMA 403-1 (07/01/02); MA 403-1 (01/01/07)

Reference: ARM 37.82.101, .703, 903; 20 CFR 416.1218

Overview: The equity values of all vehicles the filing/assistance unit members own are countable resources unless specifically excluded by policy. All vehicles must be evaluated to determine resource eligibility.

Ownership:

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 in case notes. If a vehicle is in the process of being bought or sold, clearly document in case notes verification used to determine ownership. NOTE: One vehicle may be used as a home even if it is also a means of transportation. The vehicle’s equity value is 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 updated.

Jointly-Owned Vehicles:

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

Determining Accessibility:

The following guidelines should be used to determine accessibility.

1. If the client has possession of his/her jointly-owned vehicle, the equity value is countable in full 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.)

2. If the individual does not have possession, he/she must document why he/she cannot access the vehicle.

Fair Market Value:
Use the average trade-in value as the vehicle’s current fair market value (FMV).

**EQUITY VALUE:**

The vehicle’s equity value is counted toward the resource limit. Equity value is determined by deducting the amount owed (liens/encumbrances) from the fair market value.

**KNOWLEDGEABLE SOURCE:**

Valuations from a knowledgeable source, such as the county assessor or a car dealer, are needed for the following vehicles:

1. A new vehicle;
2. A vehicle where the stated value is questionable;
3. The owner does not agree with the established FMV;
4. A vehicle is considered an antique/classic or is custom built.

**EXCLUDED VEHICLES:**

The following vehicles are excluded:

1. Inaccessible vehicles;
2. One vehicle being used as a home;
3. Vehicles used primarily to produce income; e.g., taxi, semi-truck, fishing boat;
4. Vehicles previously used for self-employment (e.g., logging truck); that are no longer income producing because the client 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.
5. **Family Medically Needy:** One vehicle with the highest equity value.
6. **ABD:** One vehicle is totally excluded regardless of value if it is used to transport the client or a household member.
   a. If more than one vehicle meets the ‘used for transportation criteria’, the vehicle with the highest equity value is excluded. The remaining vehicles’ equity values are countable resources.
   b. The equity values of any vehicles not used to transport the client or a household member are countable resources.

**SELF-EMPLOYMENT, INCOME PRODUCING & REQUIRED FOR EMPLOYMENT:**

Vehicles necessary for self-employment are exempt under provisions of “Property/Equipment Necessary for Employment or Self-employment” located in CMA 402-1. If self-employment ceases, the vehicles must be reevaluated. When self-employment stops temporarily the vehicles and other self-employment equipment may continue to be exempt for 12 months, as long as the client intends to return to the self-employment business.
**ABD:** Vehicles used to produce income, that are not related to self-employment (such as a taxi cab that is leased to someone else), are tested to the 6%/6000 equity exemption rule. See CMA 402-1 “Income Producing Property”.

Vehicles required as a condition of employment may be excluded. An employer-employee relationship must exist between the vehicle owner and the employer requiring the individual to furnish a vehicle as an employment condition.

**COUNTABLE VEHICLES:**

The equity value of all non-excluded accessible vehicles owned by any filing unit member is countable.

**Effective Date:** July 01, 2016