

**441—41.26(239B) Resources.**

**41.26(1) Limitation.** An applicant or recipient may have the following resources and be eligible for the FIP. Any resource not specifically exempted will be counted toward resource limitations.

*a.* A homestead without regard to its value. A mobile home or similar shelter will be considered as a homestead when it is occupied by the recipient. Temporary absence from the homestead with a defined purpose for the absence and with intent to return when the purpose of the absence has been accomplished will not be considered to have altered the exempt status of the homestead. Except as described in paragraph 41.26(1)“*n*” or “*o*” and paragraph 41.26(6)“*d*,” the net market value of any other real property will be considered with personal property.

*b.* Household goods and personal effects without regard to their value. Personal effects are personal or intimate tangible belongings of an individual, especially those that are worn or carried on the person, that are maintained in one’s home, and include clothing, books, grooming aids, jewelry, hobby equipment, and similar items.

*c.* Life insurance that has no cash surrender value. The owner of the life insurance policy is the individual paying the premium on the policy with the right to change the policy as the individual sees fit.

*d.* Motor vehicles.

(1) One motor vehicle without regard to its value.

(2) An equity not to exceed a value of \$4,115 in one motor vehicle for each adult and working teenage child whose resources are considered as described in subrule 41.26(2). The disregard will be allowed when the working teenager is temporarily absent from work. The equity value in excess of \$4,115 of any vehicle will be counted toward the resource limit in paragraph 41.26(1)“*e*.” When a motor vehicle is modified with special equipment for the handicapped, the special equipment will not increase the value of the motor vehicle.

The department will annually increase the motor vehicle equity value to be disregarded by the latest increase in the consumer price index for used vehicles during the previous state fiscal year.

*e.* A reserve of other property, real or personal, not to exceed \$2,000 for applicant assistance units and \$5,000 for recipient assistance units. Exception: Applicant assistance units with at least one member who was a recipient in Iowa in the month prior to the month of application are subject to the \$5,000 limit. The exception includes those persons who did not receive an assistance grant due to the limitations described in rules 441—45.26(239B) and 441—45.27(239B).

Resources of the applicant or the recipient will be determined in accordance with subrule 41.26(2).

*f.* Money that is counted as income in a month, during that same month; and that part of lump sum income defined in subparagraph 41.27(9)“*c*”(2) reserved for the current or future month’s income.

*g.* Payments that are exempted for consideration as income and resources under subrule 41.27(6).

*h.* An equity not to exceed \$1,500 in one funeral contract or burial trust for each member of the eligible group. Any amount in excess of \$1,500 will be counted toward resource limitations unless it is established that the funeral contract or burial trust is irrevocable.

*i.* One burial plot for each member of the eligible group. A burial plot is defined as a conventional gravesite, crypt, mausoleum, urn, or other repository that is customarily and traditionally used for the remains of a deceased person.

*j.* Settlements for payment of medical expenses.

*k.* Life estates.

*l.* Federal or state earned income tax credit payments in the month of receipt and the following month, regardless of whether these payments are received with the regular paychecks or as a lump sum with the federal or state income tax refund.

*m.* The balance in an individual development account (IDA), including interest earned on the IDA.

*n.* An equity not to exceed \$10,000 for tools of the trade or capital assets of self-employed households.

When the value of any resource is exempted in part, that portion of the value that exceeds the exemption will be considered in computing whether the eligible group’s property is within the reserve defined in paragraph 41.26(1)“*e*.”

*o.* Nonhomestead property that produces income consistent with the property’s fair market value.

**41.26(2)** *Persons considered.*

- a. Resources of persons in the eligible group will be considered in establishing property limitations.
- b. Resources of the parent who is living in the home with the eligible child(ren) but whose needs are excluded from the eligible group will be considered in the same manner as if the parent were included in the eligible group.
- c. Resources of the stepparent living in the home will not be considered when determining eligibility of the eligible group, with one exception: The resources of a stepparent included in the eligible group will be considered in the same manner as a parent.
- d. The resources of supplemental security income recipients will not be counted in establishing property limitations.
- e. The resources of a nonparental relative who elects to be included in the eligible group will be considered in the same manner as a parent.

**41.26(3)** *Homestead defined.* The homestead consists of the house, used as a home, and may contain one or more contiguous lots or tracts of land, including buildings and appurtenances. When within a city plat, it will not exceed ½-acre in area. When outside a city plat, it will not contain, in the aggregate, more than 40 acres. When property used as a home exceeds these limitations, the equity value of the excess property will be determined in accordance with subrule 41.26(5).

**41.26(4)** *Liquidation.* When proceeds from the sale of resources or conversion of a resource to cash, together with other nonexempted resources, exceed the property limitations, the recipient is ineligible to receive assistance until the amount in excess of the resource limitation has been expended unless immediately used to purchase a homestead, or reduce the mortgage on a homestead.

- a. Property settlements. Property settlements that are part of a legal action in a dissolution of marriage or palimony suit are considered as resources upon receipt.
- b. Property sold under installment contract. Property sold under an installment contract or held as security in exchange for a price consistent with its fair market value is exempt as a resource. If the price is not consistent with the contract's fair market value, the resource value of the installment contract is the gross price for which it can be sold or discounted on the open market, less any legal debts, claims, or liens against the installment contract.

Payments from property sold under an installment contract are exempt as income as specified in paragraphs 41.27(1)“f” and 41.27(7)“aj.” The portion of any payment received representing principal is considered a resource upon receipt. The interest portion of the payment is considered a resource the month following the month of receipt.

**41.26(5)** *Net market value defined.* Net market value is the gross price for which property or an item can currently be sold on the open market, less any legal debts, claims, or liens against the property or item.

**41.26(6)** *Availability.*

a. A resource must be available in order for it to be counted toward resource limitations. A resource is considered available under the following circumstances:

- (1) The applicant/recipient owns the property in part or in full and has control over it; that is, it can be occupied, rented, leased, sold, or otherwise used or disposed of at the individual's discretion.
- (2) The applicant/recipient has a legal interest in a liquidated sum and has the legal ability to make the sum available for support and maintenance.

b. Reserved.

c. When property is owned by more than one person, unless otherwise established, it is assumed that all individuals hold equal shares in the property.

d. When the applicant or recipient owns nonhomestead property, the property will be considered exempt for so long as the property is publicly advertised for sale at an asking price that is consistent with its fair market value.

**41.26(7)** *Damage judgments and insurance settlements.*

a. Payment resulting from damage to or destruction of an exempt resource will be considered a resource to the applicant/recipient the month following the month the payment was received. When the applicant/recipient signs a legal binding commitment no later than the month after the month the payment

was received, the funds will be considered exempt for the duration of the commitment providing the terms of the commitment are met within eight months from the date of commitment.

*b.* Payment resulting from damage to or destruction of a nonexempt resource will be considered a resource in the month following the month in which payment was received.

**41.26(8) Trusts.** The department will determine whether assets from a trust or conservatorship, except one established solely for the payment of medical expenses, are available by examining the language of the trust agreement or order establishing a conservatorship.

*a.* Funds clearly conserved and available for care, support, or maintenance will be considered toward resource or income limitations.

*b.* When the department questions whether the funds in a trust or conservatorship are available, the trust or conservatorship will be referred to the central office.

(1) When assets in the trust or conservatorship are not clearly available, central office staff may contact the trustee or conservator and request that the funds in the trust or conservatorship be made available for current support and maintenance. When the trustee or conservator chooses not to make the funds available, the department may petition the court to have the funds released either partially or in their entirety or as periodic income payments.

(2) Funds in a trust or conservatorship that are not clearly available will be considered unavailable until the trustee, conservator or court actually makes the funds available. Payments received from the trust or conservatorship for basic or special needs are considered income.

**41.26(9) Aliens sponsored by individuals.** When an alien admitted for lawful permanent residence is sponsored by a person who executed an enforceable affidavit of support as described in 8 U.S.C. Section 1631(a)(1) (as amended to December 31, 2024) on behalf of the alien, the resources of the alien will be deemed to include the resources of the sponsor (and of the sponsor's spouse if living with the sponsor). The amount of the resources of the sponsor and the sponsor's spouse deemed to the alien will be the total countable resources as described in rule 441—41.26(239B) remaining after a \$1,500 deduction is subtracted. The following are exceptions to deeming of a sponsor's resources:

*a.* Deeming of the sponsor's resources does not apply when:

(1) The sponsored alien attains citizenship through naturalization pursuant to Chapter 2 of Title III of the Immigration and Nationality Act (as amended to December 31, 2024);

(2) The sponsored alien has earned 40 qualifying quarters of coverage as defined in Title II of the Social Security Act (as amended to December 31, 2024) or can be credited with 40 qualifying quarters as defined in rule 441—40.21(239B); or

(3) The sponsored alien or the sponsor dies.

*b.* An indigent alien is exempt from the deeming of a sponsor's resources for 12 months after indigence is determined. An alien will be considered indigent if:

(1) The alien does not live with the sponsor; and

(2) The alien's gross income, including any income received from or made available by the sponsor, is less than 100 percent of the federal poverty level for the sponsored alien's household size.

*c.* A battered alien as described in 8 U.S.C. Section 1641(c) (as amended to December 31, 2024) is exempt from the deeming of a sponsor's resources for 12 months.

**41.26(10) Not considered a resource.** Inventories and supplies, exclusive of capital assets, that are required for self-employment will not be considered a resource. Inventory is defined as all unsold items, whether raised or purchased, that are held for sale or use and may include merchandise, grain held in storage, livestock raised for sale, and other unsold inventory. Supplies are items necessary for the operation of the enterprise, such as lumber, paint and seed. Capital assets are those assets that, if sold at a later date, could be used to claim capital gains or losses for federal income tax purposes. When self-employment is temporarily interrupted due to circumstances beyond the control of the household, such as illness, any inventory or supplies retained by the household will not be considered a resource.

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