

TABLE OF CONTENTS

CONDITIONAL BENEFITS - INTRODUCTION	1
1. WHO MUST BE EVALUATED.....	1
2. WHO QUALIFIES FOR CONDITIONAL BENEFITS.....	1
2.1. INITIALLY.....	1
2.2. CONTINUING	2
2.3. TERMINATION AND REAPPLICATION.....	2
3. SUMMARY OF CONDITIONAL BENEFITS PROCEDURES.....	3
4. CONDITIONAL BENEFITS RESOURCE ELIGIBILITY.....	6
4.1. PROCEDURE.....	6
4.2. LIQUID & NON-LIQUID RESOURCES	6
4.2.1. Resources Assumed to be Liquid.....	7
4.2.2. Resources Assumed to be Non-liquid.....	7
5. THE INDIVIDUAL'S CHOICE.....	9
5.1. EXPLANATION TO THE INDIVIDUAL:	9
5.2. INDIVIDUAL'S WRITTEN STATEMENT.....	11
5.3. CONDITIONAL BENEFITS ACCEPTED.....	11
6. DISPOSAL/EXCLUSION PERIOD	11
6.1. BEGINNING DATE.....	12
6.2. ENDING DATE	12
7. PAYMENT PERIOD.....	13
8. REASONABLE EFFORTS TO SELL.....	13
8.1. EFFORTS TO SELL REQUIREMENTS	13
8.1.1. Initial Efforts to Sell.....	13
8.1.2. Continuing Efforts to Sell	14
8.1.3. Individual Must Accept Any Reasonable Offer	14
8.2. VERIFICATION OF EFFORTS TO SELL.....	14
8.2.1. Supporting Evidence.....	14
8.3. EXAMPLES - EFFORTS TO SELL REAL PROPERTY	15
8.3.1. First Contact— Reasonable Efforts Exist	15
8.3.2. Second Contact— Reasonable Efforts Have Stopped	16
8.4. FAILURE TO ESTABLISH OR CONTINUE REASONABLE EFFORTS TO SELL	16
8.5. GOOD CAUSE	16
8.5.1. Examples of Good Cause.....	16
8.5.2. Verification	17
9. FOLLOW-UP CONTACTS.....	17
9.1. FREQUENCY OF CONTACTS	18
9.2. INDIVIDUAL MAKING REASONABLE EFFORTS	18
9.3. INDIVIDUAL NOT MAKING REASONABLE EFFORTS	18
10. CLIENT WISHES TO WITHDRAW AGREEMENT TO SELL NON-LIQUID RESOURCES	19
10.1. VERIFICATION	19
11. EXCESS RESOURCES REDUCED	19
11.1. VERIFICATION OF SALE	20

TABLE OF CONTENTS

11.2.	CASH SALE.....	20
11.3.	OTHER THAN CASH SALE	20
11.3.1.	<i>Contract Received for Sale</i>	20
11.3.2.	<i>Exchange of Excess Property</i>	21
12.	CONDITIONAL BENEFITS ENDS	21
12.1.	REGULAR AG ELIGIBILITY	21
12.2.	CONDITIONAL BENEFITS OVERPAYMENT	22
12.2.1.	<i>Contact Individual</i>	22
12.3.	APPLICABILITY	22
12.3.1.	<i>Disposal of Excess Non-Liquid Resources</i>	22
12.3.2.	<i>No Disposal of Excess Non-Liquid Resources</i>	23
13.	CONDITIONAL BENEFITS NOTICE	24
13.1.	INITIAL APPLICATION/REAPPLICATION	24
13.1.1.	<i>Potential Eligibility</i>	24
13.1.2.	<i>Eligibility Approved</i>	24
13.2.	REDETERMINATION OR CHANGE	24
13.2.1.	<i>Time Frames</i>	24
14.	AGREEMENT TO SELL NON-LIQUID RESOURCES.....	25

Conditional Benefits - Introduction

A non-SSI individual (or couple) who meets **all non-resource** eligibility requirements, but fails to meet the resources requirement due solely to **excess non-liquid resources**, may qualify for the conditional exclusion of those excess resources.

The Manual provides for an exclusion of excess **non-liquid** resources for a set period of time if the individual agrees to take action to dispose of the excess **non-liquid** resources and to repay the amount of the AG Conditional Benefits he/she will receive during the disposal period. The AG benefits paid during the period the exclusion is applied are Conditional Benefits (CB), benefits paid on the condition they be repaid.

Conditional Benefits are basically an “advance” to the individual, one that must be repaid from the proceeds of the sale of the excess resources. In this manner, the individual is permitted to use his/her own resources to meet his/her needs. Conditional Benefits differ from regular AG benefits only in that they must be repaid.

1. Who Must Be Evaluated

Each individual found to be ineligible due to excess resources **must** be evaluated to determine if he/she qualifies for the application of the conditional exclusion and the receipt of Conditional Benefits. This applies to ongoing cases as well as initial applications.

Note: An individual that is ineligible due to excess **liquid** resources does not qualify for this exclusion.

2. Who Qualifies for Conditional Benefits

An individual (or couple) who meets **all non-resource** eligibility requirements, but fails to meet the resources requirement due solely to **excess non-liquid resources**, can receive Conditional Benefits for a **limited period of time** if the individual agrees to certain conditions.

Note: There is no maximum limit on the value of the total countable resources for the purpose of this provision.

2.1. Initially

The conditional exclusion of the excess non-liquid resources is available if the individual (couple) meets the following conditions.

- **Countable non-liquid resources exceed the resource limit**
- **Countable liquid resources do not exceed the resource limit**
- **The individual/couple agrees in writing to:**
 - Sell excess non-liquid resources at their current market value (CMV) within a specified period; and
 - Use the proceeds of sale to refund overpayments of conditional benefits.

The Agreement to Sell Non-Liquid Resources form must be used to document the individual's acceptance of CB.

2.2. Continuing

The conditional exclusion of the excess non-liquid resources continues throughout the disposal period if:

- The individual conducts and verifies reasonable efforts to sell;
- The individual's non-liquid resources remain in excess of the resource limit;
- The individual's liquid resources remain less than resource limit; and
- The individual does not become ineligible due to any other reason.

2.3. Termination and Reapplication

Termination of eligibility during a Conditional Benefit period ends the disposal period. If the individual reapplies for benefits and still has excess resources, he/she must be re-evaluated for Conditional Benefits and have a new conditional benefits period established.

3. Summary of Conditional Benefits Procedures

The chart below summarizes the process for determining whether or not an individual qualifies for CB. Detailed information follows.

Steps	Conditional Benefits Procedure ACTIONS
Step 1	<p>Determine if the individual is ineligible solely due to excess resources</p> <ul style="list-style-type: none"> • No - Client is not eligible for Conditional Benefits STOP • Yes - CONTINUE
Step 2	<p>Divide the individual's resources into two classifications, liquid and non-liquid.</p> <ul style="list-style-type: none"> • Total the value of the non-liquid resources • Total the value of the liquid resources CONTINUE
Step 2	<p>Determine if the individual is ineligible solely due to excess NON-LIQUID resources</p> <ul style="list-style-type: none"> • Compare the total value of the individual's (couple's) NON-LIQUID resources to the resource limit <ul style="list-style-type: none"> ○ Total non-liquid resource value is equal to or less than the resource limit - Client is not eligible for Conditional Benefits. Deny the application due to excess resources. STOP ○ Total non-liquid resource value exceeds the limit - CONTINUE

Steps	Conditional Benefits Procedure ACTIONS
Step 3	<p>Compare the total value of the individual's (couple's) LIQUID resources to the amount of the current resource limit rate for 1 (couples –resource limit rate for 2)</p> <ul style="list-style-type: none"> • Total liquid resource value exceeds resource limit - Client is not eligible for Conditional Benefits STOP • Total liquid resource value is less than resource limit - <ul style="list-style-type: none"> ○ Send the Conditional Benefits Notice to notify the individual of his/her potential eligibility for Conditional Benefits and explain the requirements to him/her. <ul style="list-style-type: none"> ▪ Include a completed Agreement to Sell Non-Liquid Resources form with instructions to sign it if he/she wishes to receive CB. ▪ Also instruct the individual to return a written statement if he/she wishes to decline CB. CONTINUE
Step 4	<p>Evaluate the individual's Agreement to Sell Non-Liquid Resources in which he/she agrees to sell excess non-liquid resources or his/her written statement declining conditional benefits</p> <ul style="list-style-type: none"> • Agreement not received or conditional benefits declined - Client is not eligible for Conditional Benefits STOP • An appropriately signed Agreement received – Client is eligible for Conditional Benefits <ul style="list-style-type: none"> ○ Set special review for follow-up. ○ Send the individual notice that his Agreement to Sell Non-Liquid Resources has been received and accepted and inform him/her of the dates his/her disposal period and Conditional Benefits will begin.

Steps	Conditional Benefits Procedure ACTIONS
	<ul style="list-style-type: none"> ○ Approve the individual for Conditional Benefits effective the month following the month the agreement becomes effective. CONTINUE
Step 5	<p>Recontact the individual periodically as required to determine continued eligibility for conditional benefits. Use the procedures in Steps 2 and 3.</p> <ul style="list-style-type: none"> • Eligibility continues – No change is required. Set a special review date for the next follow-up. STOP • Eligibility for Conditional Benefits ends – CONTINUE
Step 6	<p>Determine the individual’s eligibility for regular AG.</p> <ul style="list-style-type: none"> • Total resources exceed limit – Close case. • Total resources are equal to or less than the limit and the individual continues to meet all other eligibility requirements – The individual is eligible for regular AG. <p>Note – Determine if the “Reasonable Effort to Sell Real Property” applies.</p> <p style="text-align: right;">CONTINUE</p>
Step 7	<p>Determine the amount of the Conditional Benefits overpayment and use the Conditional Benefits Notice to notify the individual.</p>

4. **Conditional Benefits Resource Eligibility**

Once it is determined that an individual is ineligible for regular AG solely due to excess resources, it is necessary to determine if the individual meets the special resource requirements for Conditional Benefits. To qualify for CB an individual must have non-liquid resources in excess of the regular resource limit and have liquid resources that do not exceed three times the SSI payment level. If the individual's resources do not meet both of these requirements the individual does not qualify for CB.

4.1. **Procedure**

Tally the values of liquid resources and non-liquid resources separately.

- Compare the total value of **non-liquid** resources to the regular resource limit. If the total is
 - Equal to or less than the resource limit, the individual is ineligible for CB. Deny the application due to excess resources.
 - Greater than the regular resource limit, continue evaluating the individual for CB eligibility.
- Compare the total value of liquid resources to resource limit. If the total is
 - Greater than the current resource limit, the individual is ineligible for CB. Deny the application due to excess resources.
 - Equal to or less than the resource limit, continue evaluating the individual for CB eligibility.

4.2. **Liquid & Non-liquid Resources**

Liquid resources are any resources in the form of cash or in any other form which **can** be converted to cash within 20 workdays.

Non-liquid resources are any resources which are not in the form of cash and which **cannot** be converted to cash within 20 workdays.

Workdays are any days other than Saturdays, Sundays, and Federal holidays.

Note: Both **real property** and **personal property** may be classified as non-liquid resources.

4.2.1. Resources Assumed to be Liquid

Cash is **always** liquid. Absent evidence to the contrary, assume that the following types of resources are liquid:

- Stocks, bonds, and mutual fund shares;
- Checking and savings accounts and time deposits;
- United States Savings Bonds and Treasury bills, notes and bonds;
- Mortgages and promissory notes; and
- Cash value of life insurance policies.

4.2.2. Resources Assumed to be Non-liquid

Absent evidence to the contrary, assume that the following types of resources are non-liquid:

- Automobiles, trucks, tractors and other vehicles;
- Machinery and livestock;
- Buildings, land and other real property rights; and
- Non-cash business property.

4.2.2.1. Evidence To The Contrary

If there is no apparent evidence to the contrary, do not seek out any evidence to the contrary. There is no need to document a lack of evidence to the contrary.

When evidence to the contrary is presented, evaluate it. Do not reopen a prior determination of non- liquidity retroactively. Consider the prior determination correct when made since there was no evidence to the contrary at that time.

Examples — Evidence to the Contrary

1. Non-Liquid Resource Becomes Liquid

Situation - On October 10, 2005, Mr. Hosea Hooper, a widower, filed for AG. Mr. Hooper alleged owning countable liquid resources totaling \$900 plus a second automobile, a non-liquid resource, worth \$3,000. (His only other resource, another automobile, was excluded.) Mr. Hooper volunteered the information that he only expected to have the second car for about 2 more weeks since his neighbor had agreed to buy it and Mr. Hooper was confident that the transaction would be completed by November 1.

Analysis - Based on Mr. Hooper's statements, the worker categorized the second vehicle as a "liquid" resource and documented the file accordingly. This established why Conditional Benefits could apply.

2. Recently Issued U.S. Savings Bond: Not A Resource

Situation - On January 6, 2005 Ms. Minnie Marbel filed for AG. Among her alleged resources was a \$500 series EE U.S. Savings Bond which she had won a month earlier. Since series EE bonds are never redeemable for 6 months following issue, the worker questioned whether the minimum retention period had expired.

Analysis - The bond's issue date was December 1, 2004. Therefore, Ms. Marbel by law could not redeem it before June 1, 2005. Consequently, the bond not only was not a liquid resource, it was not a resource at all. Neither Ms. Marbel nor anyone acting on her behalf had the right, authority or power to redeem the bond for cash until 6 months from the date of issue. The value of the bond, including any interest accrued, does not become a liquid resource until July 1, 2005.

3. Guardianship Account — Guardian Dies: Non-Liquid Resource

Situation - Ms. Harriet Dalton had a court-appointed guardian who had sole access to Ms. Dalton's savings account. On September 8, 2005 the guardian filed for AG on Ms. Dalton's behalf. On November 2, while the claim was still pending, the guardian died. Because of the delay in having a new guardian appointed and establishing a new account signatory, there was no one authorized to withdraw funds from the account for at least 60 days.

Analysis - For September through November the account was Ms. Dalton's liquid resource because her guardian had access to it as of the first moment of each month. Beginning in December and until the first of the month in which a new guardian had access to the account, it was a non-liquid resource.

The guardianship account continued to be a resource because, at all times, Ms. Dalton owned it and had the legal right to use it for her own support and maintenance. The delay in appointing a new guardian who could access it within 20 days does not remove Ms. Dalton's right to the funds.

5. The Individual's Choice

At the point it is determined that an individual meets all eligibility factors other than excess non-liquid resources and that his/her liquid resources do not exceed the resource limit, the individual must be contacted to explain the Conditional Benefits provision and its implications. The individual must choose whether to accept Conditional Benefits.

5.1. Explanation to the Individual:

To permit the individual to make an educated choice, all details of the Conditional Benefits program and its requirements must be explained to him/her. The explanation may be verbal but must be followed up in writing. The Conditional Benefits Notice must be sent to the individual to explain that:

- His/her total resources exceed the amount allowable for regular AG benefits and benefits are about to be denied due solely to his/her excess non-liquid resources;
- Refundable AG benefits are possible for a limited number of months if the individual agrees in writing to:
 - sell certain property within a specified period (identify the excess resources and the applicable disposal period);
 - sell the property for as much as he/she can within this period, while **asking no more than the highest CMV** estimated by a knowledgeable and disinterested third party;
 - notify worker **within 5 working days** of the sale of the resource; and
 - **Refund** the benefits paid during the period.
- The agreement becomes effective on the date the individual receives written notice that the agreement is in effect.
- The first payment will be for the month after the month the agreement becomes effective. Payment cannot be made for any month before the agreement takes effect or in the month the agreement takes effect.
- The significance of continuing reasonable efforts to sell.
- Before, during, or after the disposal period, the individual can submit evidence that the resource has a lower value than currently estimated.
- Selling the resource will not necessarily result in ongoing eligibility since any sale proceeds remaining **after refund of conditional benefits** will be countable resources which could cause ineligibility.
- The overpayment is an appealable initial determination. However, the refund will not be waived because conditional benefits are not paid without an agreement to make refund. The individual cannot be found without fault with regard to the overpayment because he/she signed the agreement and received written notice of the repayment requirement.

5.2. Individual's Written Statement

The Agreement to Sell Non-Liquid Resources form is to be used to notify the individual of his/her excess non-liquid resources and to document the individual's agreement to dispose of them and repay the CB received. The form is to be sent to the individual as soon as it is determined that he/she meets all eligibility factors other than excess non-liquid resources and his/her liquid resources do not exceed resource limit. Instruct the individual to return the form if he/she wants to accept CB or to return a written statement declining the benefits. Allow the individual a minimum of 10 days to return the form.

If the Agreement to Sell Non-Liquid Resources form is not returned or the individual submits a statement declining CB, the application must be denied. If the individual refuses to sign a statement declining the CB, document the file to that effect.

5.3. Conditional Benefits Accepted

On receipt of the Agreement to Sell Non-Liquid Resources form review it for completeness and proper signature. Issue the Conditional Benefits Notice to inform the individual that the worker accepts the agreement, the beginning date of and the length of the disposal period and the date the Conditional Benefits will begin.

Tell the individual about the:

- Requirement to make continuing reasonable efforts to sell, including not refusing any reasonable offer to buy;
- Types of evidence he/she must provide; and
- Periodic follow-up contacts that will be conducted.

6. Disposal/Exclusion Period

The individual is allowed a set period of time to dispose of his/her excess non-liquid resources. The disposal period and the exclusion period are one and the same. The length of the disposal period is determined by the type of non-liquid asset that must be disposed.

The periods for the disposal of excess **non-liquid resources** are:

- 9 months for real property;
 - There is no extension of the disposal period for real property.

- 3 months for personal property.
 - One 3-month extension for disposition of personal property is permitted if good cause exists. Chapter F – 8.5.

6.1. Beginning Date

The disposal/exclusion period begins on the date the worker “accepts” the individual's signed written agreement, the Agreement to Sell Non-Liquid Resources.

- The date of acceptance is 5 days from the date the notice is mailed unless the individual shows that he/she did not receive it within the 5-day period.
- If the written notice is handed to the individual, the date of acceptance is that date.

6.2. Ending Date

The disposal/exclusion period ends at the earliest of the following:

- The month the property is sold;
- The month continued reasonable efforts to sell end, absent good cause;
- The month the individual submits a written request for cancellation;
- The month countable resources, without the conditional exclusion, fall within the applicable limit (e.g., the individual depletes liquid resources); or
- The month in which the individual’s full period of conditional benefits ends (including any allowable extension);
- The month the case is closed due to another reason.

Example

Mr. Jones' disposal/exclusion period for his second car begins on May 12 when Mr. Jones receives written notice that his agreement to sell is in effect. He sells the car on July 20 which ends the disposal/ exclusion period. He is eligible for conditional benefits for June and July, the 2 full months whose first moments fall within the disposal/exclusion period. If no sale had occurred, the basic period would have ended on August 11, and he could have received conditional benefits for the 3 months of June, July and August assuming no extension of the disposal/exclusion period for good cause was granted.

7. **Payment Period**

Conditional benefits are paid only for full calendar months. Thus:

- the first month of a payment period is the month after the month in which the disposal/exclusion period begins; and
- The last month of a payment period is the month in which the disposal /exclusion period ends.

Note: If the required advance notices period extends into the month following the month the disposal period ends, Conditional Benefits are issued for that month. That month is included in the computation of the Conditional Benefits overpayment.

EXAMPLE: Mr. Jones' disposal/exclusion period for his second car begins on May 12 when Mr. Jones receives written notice that his agreement to sell is in effect. He sells the car on July 20 which ends the disposal/ exclusion period. He is eligible for conditional benefits for June and July, the 2 full months whose first moments fall within the disposal/exclusion period. If no sale had occurred, the basic period would have ended on August 11, and he could have received conditional benefits for the 3 months of June, July and August assuming no extension of the disposal/exclusion period for good cause was granted.

8. **Reasonable Efforts to Sell**

The individual must make reasonable efforts to sell excess non-liquid property by taking all necessary steps to sell it through media serving the geographic area in which the person lives or, if different, where the property is located. The individual must attempt to sell the property for as much as he/she can but cannot ask for more than the highest CMV estimated by a knowledgeable and disinterested third party.

8.1. **Efforts to Sell Requirements**

8.1.1. **Initial Efforts to Sell**

Within 30 days of signing a conditional benefits agreement, the owner must:

- List the property with an agent; or

- Begin to advertise in at least one of the appropriate media; place a “For Sale” sign on the property (if permitted); begin to conduct open houses or otherwise show the property to interested parties on a continuing basis; or attempt any other appropriate methods of sale such as posting notices on community bulletin boards, distributing fliers, etc.

8.1.2. Continuing Efforts to Sell

Except for gaps of no more than 1 week, the owner must maintain efforts of the type listed above; and

8.1.3. Individual Must Accept Any Reasonable Offer

The owner must not reject any reasonable offer to buy the property and must accept the burden of demonstrating to the worker’s satisfaction that he/she rejected an offer because it was not reasonable.

- Assume that an offer to buy real property is reasonable if it is at least two-thirds of the estimated CMV unless the owner proves otherwise.

8.2. Verification of Efforts to Sell

Document the individual's allegations regarding ads, listings, consignments, and other efforts to sell the resources. Obtain any supporting evidence the individual can provide. If the individual cannot provide evidence, verify allegations with the appropriate third party (by telephone if possible).

Verify only those allegations necessary to establish that the individual is making reasonable efforts to sell. Verifying duration of an ad, listing or consignment at the outset will prevent the need to verify its continuing existence at subsequent follow-up contacts.

Note: Reasonable efforts to sell do not have to be confined to traditional methods such as listing the property with a real estate agent or placing an ad in the newspaper. Any reasonable effort, considering the individual's circumstances, may be acceptable.

8.2.1. Supporting Evidence

Ask the individual to submit all appropriate proof such as:

8.2.1.1. Real Property

- Copy of the listing agreement with the real estate agency in current use;
- Dated advertisement(s) indicating the property is for sale;
- Contracts with media to advertise the property;
- A photograph of the “for sale” sign on the property;
- Copies of fliers or posted notices; and/or
- Any other evidence of reasonable efforts to sell property.

8.2.1.2. Personal Property

- Dated advertisement(s) indicating the property is for sale;
- Contracts with media to advertise the property;
- Copies of fliers or posted notices; and/or
- Any other evidence of reasonable efforts to sell property.

8.3. Examples - Efforts to Sell Real Property**8.3.1. First Contact— Reasonable Efforts Exist**

Mrs. Darwin, an AG recipient, signed an Agreement to Sell Non-Liquid Resources on April 11, agreeing to sell recently inherited non-home real property valued at \$8,000. When contacted on May 16, she stated that the property had been listed with a realtor at \$8,000 since April 24. Mrs. Darwin submits a copy of the listing for the file and the worker determines that she is making reasonable efforts to sell. Therefore, the conditional exclusion of the property remains in effect.

8.3.2. Second Contact— Reasonable Efforts Have Stopped

When the worker recontacts Mrs. Darwin on September 19, she states that she had just refused an offer of \$6,000 as being too low. Mrs. Darwin says she has no proof that \$6,000 was unreasonable; it was her opinion that it was too low. The worker determines that the offer was reasonable (\$6,000 is more than two-thirds of \$8,000) and that Mrs. Darwin is no longer making reasonable efforts to sell. As of October 1, conditional benefits are no longer payable and the worker issues a notice of planned action on the basis of excess resources.

8.4. Failure to Establish or Continue Reasonable Efforts to Sell

Without good cause, failure to meet the criteria outlined above, as applicable, means that the individual is not making reasonable efforts to sell the property and the property becomes a countable resource. His/her countable resources will include the value of the excess property retroactive to the beginning of the conditional benefits period and he/she owes the resultant overpayment.

8.5. Good Cause

Good cause exists when circumstances beyond an individual's control prevent his/her taking the required actions to accomplish reasonable efforts to sell. With good cause, failure to meet the criteria above means that the conditional benefits period continues to run its term.

8.5.1. Examples of Good Cause

- **No Offer to Buy**

The individual makes good faith efforts to sell excess non-liquid resources throughout the disposal period (or is prevented from doing so by circumstances beyond his/her control) but receives no offer to buy them.

- **Reliance on an Offer That Does Not Result in a Sale**

A legitimate or apparently legitimate offer to buy an excess non-liquid resource halts further efforts to sell it for a prolonged period of time, and the prospective buyer subsequently cannot or will not complete the purchase.

- **Escrow Begins But Closing Does Not Take Place within Disposal Period**

The individual accepts an offer to buy real property, and escrow begins, which precludes acceptance of another offer. Closing (at which full or partial payment and transfer of title are exchanged) does not take place within the disposal period.

- **Incapacitating Illness or Injury**

The individual becomes homebound or hospitalized for a prolonged period, due to illness or injury, and cannot take the steps necessary to sell the resource or to arrange for someone to sell it on his/her behalf.

- **Part-Owner Dies**

A part-owner of a resource dies, and administration or probate of the estate delays efforts to sell the resource (assuming that the property continues to be a resource).

8.5.2. Verification

Verify good cause by documents in the individual's possession, the individual's statement, or contact with knowledgeable third parties as appropriate.

9. Follow-up Contacts

During a conditional benefits period, the worker must make follow-up contacts with the individual. Contacts should be made by telephone whenever possible. Contact the individual in order to:

- Remind him/her of the responsibility for selling the property and the time remaining in the disposal period;
- Verify the efforts being made to accomplish a sale;
- Verify if there has been an offer to buy since the prior contact; and
 - Document:
 - Whether there have been any offers to buy since prior contact;

- The amount of the offer and whether the owner accepted it; and
 - If the owner has refused an offer that was at least two-thirds of the estimated CMV, his explanation for refusal.
- Verify good cause in the absence of reasonable efforts to sell.

9.1. Frequency of Contacts

- Personal Property - make contact every 30 days during the initial 3-month period as well as during any good cause extension period.
- Real Property - make contact:
 - 35 days following the date of the conditional benefits agreement; and
 - Every 60 days thereafter until the end of the 9-month period.

9.2. Individual Making Reasonable Efforts

If it is decided that the individual is making continuing reasonable efforts to sell, document the case and set a special review for the next follow-up contact.

9.3. Individual Not Making Reasonable Efforts

- Investigate Good Cause - If it is judged the individual is not making continuing reasonable efforts to sell:
 - Record the individual's allegations as to why;
 - Obtain any evidence the individual has to support allegations of good cause; and
 - Verify with a third party allegations the individual cannot support with evidence.
- Make Good Cause Determination - Make a good cause determination regarding, as applicable, whether to:
 - Continue or terminate the existing (basic or extended) disposal period; or
 - Extend the basic disposal period 3 months in the case of personal property.

- Good Cause Does Not Exist - If it is determined that the individual is not making reasonable efforts to sell and there is no evidence to establish both that the individual cannot pursue reasonable efforts to sell the property on his/her own and cannot make arrangements for someone else to act on his/ her behalf:
 - Terminate the conditional benefits period effective with the month following the month in which reasonable efforts cease.
 - Determine the amount of the overpayment.

10. **Client Wishes To Withdraw Agreement to Sell Non-Liquid Resources**

If the individual wishes to cancel the Agreement to Sell Non-Liquid Resources and keep the excess non-liquid resources, make sure that he/she understands that he/she:

- Will be ineligible for regular and Conditional Benefits AG; and
- Will have to refund all conditional benefits.

10.1. **Verification**

Obtain the individual's written statement that he/she:

- Wishes to cancel the Agreement to Sell Non-Liquid Resources;
- Understands that he/she will be ineligible for AG; and
- Understands he/she must refund all conditional benefits received.

Terminate the benefits immediately, the first of the following month. Advance notice is not required. Begin recovery action.

11. **Excess Resources Reduced**

If non-liquid resources are reduced to below the resource limit, eligibility for Conditional Benefits ends. The sale of the property must be verified, eligibility for regular AG must be determined and the Conditional Benefit overpayment must be calculated.

11.1. Verification of Sale

Obtain evidence of:

- The gross purchase price (whether in cash, on a contract, or both);
- Any encumbrances on the property (taxes due and payable by seller, mortgage or other lien balance, etc.); and
- Any expenses incurred in connection with the sale (advertising costs, realtor or other listing fees, consignment or auction fees, attorney fees, etc.).

11.2. Cash Sale

When someone sells an excess non-liquid resource for cash, this satisfies the terms of the agreement to sell.

- For computation of overpayment purposes, the purchase price is the CMV or the gross sale price, whichever is higher.
- Refund requirement
 - The individual is expected to repay the CB from the proceeds of the sale

11.3. Other than Cash Sale**11.3.1. Contract Received for Sale**

When someone sells an excess non-liquid resource on a contract for sale, promissory note, installment payment contract or other property agreement, this satisfies the terms of the agreement to sell.

- For computation of overpayment purposes, the purchase price is:
 - The down payment in cash (if any); plus
 - The principal amount of the contract.
- Refund requirement - Negotiate installment refunds that are reasonable considering the individual's income and resources if he/she:
 - Is ineligible for AG;
 - Does not have liquid resources to make immediate refund; and

- Will rely on the contract payments for living expenses.
- In determining the value of the contract for continuing eligibility purposes, consider any amount which must be refunded to AG as an encumbrance on the contract.
- If the contract is an excess non-liquid resource, the individual can, if otherwise qualified, **enter into another conditional benefits agreement** based on the contract subject to a 3-month disposal period for personal property.

11.3.2. Exchange of Excess Property

The exchange or trade of property **does not** satisfy the terms of the Agreement to Sell Non-Liquid Resources.

- If the newly acquired property is an excluded resource, the individual no longer has excess non-liquid resources so the conditional benefits period ends, but the conditional benefits refund is due.
- If the newly acquired property is an excess non-liquid resource, the individual can still satisfy the agreement by selling the new property within what remains of the disposal/exclusion period. The new property **cannot** qualify for a new conditional benefits agreement.

12. Conditional Benefits Ends

When the conditional benefits period ends, the excess non-liquid resources are disposed of or the individual becomes ineligible for any reason during the disposition period, the individual's eligibility for regular AG must be determined and the conditional benefits overpayment calculated.

12.1. Regular AG Eligibility

When determining regular AG resource eligibility:

- The resource value of the monies received from the sale of the previously excluded non-liquid resources will be determined by deducting the amount of the CB overpayment from the sale proceeds.

- If the nine month disposal ends without the sale of real property, determine if the Reasonable Efforts to Sell Real Property after End of 9 Months of Conditional Benefits Exclusion applies. See Chapter E – 10.

12.2. Conditional Benefits Overpayment

When the conditional benefits period ends, the excess non-liquid resources are disposed of or the individual becomes ineligible for any reason during the disposition period, the conditional benefits overpayment must be computed. The individual's **net** proceeds are considered to be available to repay the overpayment resulting from the conditional benefits.

Exception:

If the individual qualifies for regular AG based on the application of the Reasonable Efforts to Sell Real Property after End of 9 Months of Conditional Benefits Exclusion, calculation and repayment of the conditional benefits overpayment is postponed until the property is sold.

Note: The total conditional benefits overpayment includes any amounts still due from any prior conditional benefits period.

12.2.1. Contact Individual

Tell the individual that the CB overpayment will be computed using the CMV.

Before computing an overpayment due to correctly paid conditional benefits, remind the individual of the right to submit evidence which would help establish a lower CMV than the one originally estimated. Allow the individual a minimum of ten days to provide the rebuttal information.

12.3. Applicability

The rules in this section apply only to **correctly** paid conditional benefits. If an individual receives more in conditional benefits than was due, such amounts are subject to normal overpayment and recovery procedures. See Chpt. L- Improper payments.

Use the following procedures to determine the amount of the overpayment.

12.3.1. Disposal of Excess Non-Liquid Resources

- Determine the total amount of conditional benefits received.
- Determine the revised value of the individual's countable resources.
 - The revised value of countable resources is the net sale proceeds plus the value of other **countable** resources at the beginning of the **payment** period.
 - The net sale proceeds are the CMV or sale price minus any encumbrances on the property and the expenses of sale.
 - Use the CMV if the sale is made for an amount that is less than or equal to the CMV.
 - Use the sales price if the sale is made for an amount in excess of the CMV.
- Subtract the resource limit in effect at the beginning of the payment period from the revised value of the individual's resources.
- Compare the result to the total amount of conditional benefits received.
- The required refund is the lesser of the two amounts.

12.3.2. No Disposal of Excess Non-Liquid Resources

12.3.2.1. Personal Property

If the conditional benefits period ends without the sale of excess personal property, compute the conditional benefits overpayment as directed above. Substitute the estimated CMV for the net sale proceeds. Determine the individual's eligibility for regular AG including the value of the previously excluded non-liquid resources.

12.3.2.2. Real Property

Determine the individual's eligibility for regular AG. If the conditional benefits period ends without sale of excess real property, despite continuing reasonable efforts

to sell, see Chapter E – 10 to determine if it can be excluded under the Reasonable Efforts to Sell Real Property after End of 9 Months of Conditional Benefits Exclusion. If it can be excluded under that exclusion, repayment of the conditional benefits overpayment is not due unless or until a sale occurs.

13. Conditional Benefits Notice

The Conditional Benefits Notice is a multipurpose form. It is used to notify an individual of his/her potential eligibility for Conditional Benefits, approval of Conditional Benefits, and the termination of Conditional Benefits.

13.1. Initial Application/Reapplication

The Conditional Benefits Notice is used at two points in the application eligibility determination process.

13.1.1. Potential Eligibility

The Conditional Benefits Notice must be mailed within the 45-day processing period to inform the individual of his ineligibility for regular AG due to excess non-liquid resources and his potential eligibility for Conditional Benefits. An Agreement to Sell Non-Liquid Resources Form must be sent with the notice.

13.1.2. Eligibility Approved

The Conditional Benefits Notice must be mailed at the point it is determined the individual is eligible for Conditional Benefits. It must be mailed within 60 days from the date of application.

13.2. Redetermination or Change

The Conditional Benefits Notice is used as an advance notice of proposed action to notify an individual that he/she is no longer eligible for Conditional Benefits.

13.2.1. Time Frames

The individual must be given a minimum of 10 days advance notice before his/her case can be closed.

- The Conditional Benefits Notice must be completed and mailed at least 11 days prior to the effective date of the proposed case closure. The notice must state the effective date, the reason for the action, and cite the supporting manual reference.
- The effective date of the closure will be the first of the month following the expiration of the advance notice period.

14. Agreement to Sell Non-Liquid Resources

The Agreement to Sell Non-Liquid Resources is the form used to notify an individual of the requirements he/she must meet to be eligible for Conditional Benefits and to obtain the individual's agreement to accept Conditional Benefits.

The worker must list the individual's non-liquid resources on the form and mail it to the individual along with the Conditional Benefits Notice when the individual is being notified of his/her potential eligibility for Conditional Benefits.