

.02 Real Property - Income Producing

REVISION 18
(10/01/11 – 12/31/11)

Real property that is not a [homestead](#), including income producing property, is countable.

NA EXCEPTION

Rental property and property used by the participant for vacation purposes at any time during the year are countable when either of the following applies:

- Produces income in excess of expenses, such as mortgage payments, taxes, or insurance.
- Annually produces income consistent with its [current market value](#) (CMV). When the annual income is at least 12% of the CMV, the income is considered consistent with the CMV. To determine whether the property is producing income of at least 12% of the property's CMV, complete the following:

Determine the property's CMV. Use one of the following sources to determine the CMV:

- Realtor
- County Assessor's Statement card
- Appraiser's written statement

Divide the annual income received by the property's CMV. The resulting figure is the percentage.

When the rental property is temporarily vacant and not producing income, the following applies:

- The property is not countable for 12 months after the property is vacated.
- After 12 months, consider it non-income producing property and count the [equity value\(g\)](#) as a resource. (See [Real Property - Not For Sale](#))

Some examples of proof of vacancy are the following:

- Utility bills for the rental
- Participant's records
- [Collateral contacts](#)
- Advertisements for the rental property

When rental property is currently rented, it remains not countable for 12 months when both of the following apply:

- The current tenants are obligated to pay rent
- Rent is not paid due to a lack of income or other emergency.

Key income producing real property on **OTAS** using the RI Other Assets Code.

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