

E Mortgage

Mortgage payments are an ALLOWABLE expense deduction for NA, and affect the [CA need standard](#). Mortgage payments include the following:

- First mortgage payments.
- Second mortgage payments, regardless of why the money was obtained or how it was used.

NOTE When a second mortgage is obtained for medical expenses, treat the repayment as a shelter expense and not a medical expense.

- Home equity loan payments, regardless of why the money was obtained or how it was used.
- Interest payments.
- Payments for a connecting piece of property to a participant's home and lot, when financed by a second mortgage or other loan secured by the home and lot.
- Portions of the closing costs on a home that are identified as taxes and insurance.
- Other continuing charges that lead to ownership of the housing unit. Continuing charges include the following:

Bills for mortgage during foreclosure proceedings.

Payments on loans issued for the repair of housing units given to participants under the Homestead Act.

Personal loan payments that are secured by a lien on the property.

Charges for buying land on which a mobile home is located.

Vehicle payments when the participant is living in the vehicle.

Vehicle insurance (comprehensive and collision) when the participant is living in the vehicle. (See [Shelter Insurance](#) for keying)

The housing unit must be occupied by the budgetary unit.

The following are NOT ALLOWABLE as part of the mortgage payment:

- Penalties for late payments, arrearages, and closing costs.
- Down payments on a home.
- Federal Housing Authority (FHA) mortgage payments made during any moratorium period granted by FHA.
- License plate fees on a vehicle that the participant is living in.

For procedures regarding verification of mortgages, see [Shelter Expense Verification](#).

(See [Shelter Expenses](#))

Key the expense on EXPC using the MO Expense Code.