

Haldimand Norfolk Community Housing Directives

Housing Services department
12 Gilbertson Drive
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Directive: Asset Limits

Directive Number: SH-01

Effective Date: March 2025

Date Revised:

**Authority: *Housing Services Act, 2011*
*O. Reg. 367/11 s.35***

Purpose

The intent of this policy is to provide information about local asset limits and eligibility requirements for rent-geared-to-income (RGI) housing as required under the Housing Services Act, 2011 (HSA)

The asset limit in Haldimand Norfolk for RGI is \$50,000. This applies to new applicants to the Centralized Wait List, eligible waitlist applicants, current tenants and new tenants applying or receiving RGI assistance. Asset limits will come into effect on May 1, 2025.

Background

Under the HSA, Ontario Regulation 367/11 Norfolk County, as service manager, for Haldimand and Norfolk Counties Norfolk County is required to establish a local rule that creates an asset limit for households to determine initial and continued eligibility for tenants applying for RGI assistance. This policy will help ensure that available housing subsidies are targeted at those in the greatest need in our communities.

Asset Limit

Assets are items of value that a household owns. For this directive, assets include, but are not limited to, cash, vehicles, property that is owned by a member of the household, and investments. Assets that are included and excluded in this policy are listed below.

The assets value is reduced by the amount of verified debt owing against it. For example, if there is a loan on a vehicle the amount owing would be subtracted from the vehicle's value.

Non-Exempt Assets

O. Reg. 367/11 section 32(1) outlines the divestment rules for real estate, and O. Reg. 242/22 section 32(5) requires that Service Managers create a local asset limit policy. The list below consists of assets that are not exempt. The value of these assets will count as assets for the household.

- Cash savings
- Bank accounts (savings or chequing accounts, Tax Free Savings accounts, overseas or foreign accounts, etc.)
- Investments (stocks, bonds, mutual funds, GICs, foreign or overseas investments, Tax Free Savings Accounts, TFSA's)
- Mortgages or loans receivables which the household has lent to someone
- Non-income producing equity stake or share in a business
- Real Estate
 - Real estate equity anywhere in the world that households own on their own, with others, that they rent out, that they have a right to occupy or that they have a legal or beneficial interest is an included asset. Examples that include but are not limited to are a house, condominium, cottage, vacant land and commercial properties.
 - The value of the property is determined by the current MPAC assessment, minus the amount of any funds owing on a mortgage. Should someone have a line of credit without a mortgage that is not considered funds owing against the home.
 - Households are required to divest themselves of any interest in a property that is suitable for year-round occupancy to be eligible for RGI housing according to the HSA. The proceeds from the divestment may not count as income, however could be counted towards the asset limit.

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- Property that is not suited for year-round living i.e.. A non-winterized cottage
- Recreational vehicles i.e.. Boats, quads, motorized homes, trailers
 - The value of these assets will be determined based on insurance valuation

Exempt Assets

Under O. Reg. 242/22 s. 32 (5) the following assets are required to be excluded. Further Information can be found in the regulations regarding treatment of each excluded asset.

1. The value of the interest of a member of the household in a motor vehicle that is not used primarily for the operation of a business by a member of the household, subject to subsection (6).
2. The value of tools of a trade that are essential to the work of a member of the household as an employee.
3. The value of assets of a member of the household that are necessary to the operation of a business that the member operates or has an interest in, subject to subsection (7).
4. The value of a prepaid funeral.
5. The cash surrender value of a life insurance policy, subject to subsection (8).
6. The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services.
7. If a member of the household has received a payment under the Ministry of Community and Social Services Act for the successful participation in a program of activities that assists the person with the successful completion of a high school diploma, the development of employment-related skills and the further development of the person's parenting skills, the value of any portion of that payment that, within a time that is reasonable in the opinion of the service manager, will be used for the member's post-secondary education.
8. The value of funds held in a registered education savings plan, as defined in section 146.1 of the Income Tax Act (Canada), for a child of a member of the household.
9. The value of the clothing, jewelry and other personal effects of a member of the household.

10. The value of the furnishings in the accommodation used by the household, including decorative or artistic items, but not including anything used primarily for the operation of a business.
11. The value of the beneficial interest in a trust of a member of the household who has a disability if the capital of the trust was derived from an inheritance or from the proceeds of a life insurance policy, subject to subsection (9).
12. The value of funds held in a registered disability savings plan, as defined in section 146.4 of the Income Tax Act (Canada), if the beneficiary of the plan is a member of the household.
13. The value of funds held in an account of a member of the household in conjunction with an initiative under which the service manager or an entity approved by the service manager commits to contribute funds towards the member's savings goals.
14. The value of funds held by a member of the household in a registered retirement savings plan, as defined in section 146 of the Income Tax Act (Canada), or in a registered retirement income fund, as defined in section 146.3 of that Act.

Local Additional Asset Exemptions

The list of excluded assets may be updated from time to time. Housing providers must consult with the service manager if a tenant or member identifies an asset type that is not listed.

Other assets excluded from the Asset Limit in Haldimand and Norfolk Counties include:

- The value of a second household vehicle (i.e. car, truck, van) is exempt if the household has a second licensed driver. The household vehicle exemption does not refer to recreational vehicles, e.g. Boat, snowmobile, all-terrain vehicle, recreational vehicle
- Funds held in trust that are not accessible to the applicant or tenant, under the terms of the trust
- Locked in investments that are not cashable by the household are not included as assets. Examples include:
 - Locked-in Retirement Account (LIRA)
 - Locked in Retirement Income Fund (LRIF)
 - Restricted Life Income Fund (RLIF)
 - Locked in Income Fund (LIF)

- Life Income Fund (LIF)
- non-cashable GIC.

When/if the household draws on these investments, the amount withdrawn will be considered household income.

Where an asset is verified as locked-in for a limited term that value is exempt until the maturity date.

Exceptions to the Asset Limit

Social Assistance Recipients

Households where all members are part of the same benefit unit are exempt from the asset limit directive, as per O. Reg. 367/11 32.5 s. 10.

Special Priority Population (SPP) Applicants

SPP applicants may be exempt from the asset limit in the following circumstances as per O. Reg. 367/11 32.5 s. 5:

- If an asset the Special Priority applicant may have a right to is only in the abuser's name (like a matrimonial home), the applicant must reasonably try to confirm who owns it.
- If assets are jointly owned with the abuser and are being divided during separation or divorce, and it's not yet clear how much the Special Priority applicant will receive, the applicant must show proof that a court case is in progress.
 - In these situations, the value of the asset(s) will not be counted as part of the Special Priority applicant's assets until the property sale and/or division of matrimonial assets is finalized.
 - After the separation process is finished, the asset's value will no longer be exempt. The Special Priority applicant must be informed that if the division of matrimonial assets puts them above the limit, they may lose their subsidy eligibility and be required to pay market rent.

The entire asset (100%) is assigned to the applicant/tenant/member when the situations described above do not apply (e.g., assets solely in the name of the Special Priority applicant or jointly owned with someone other than the abuser).

Joint Assets

Joint assets refer to assets owned by two or more people. For example, a joint bank account may be owned by two or more people such as a spouse, a common-law partner, an elderly person, or an adult child.

For the purposes of this directive and determining someone's assets, if an asset is jointly owned with someone outside the household, half of the assessed value of the asset will be applied towards the asset limit.

In certain cases, if an applicant jointly owns an asset, like a bank account used to manage someone else's finances, they will need to provide documents, such as the power of attorney or trust account papers, to prove that the asset is not legally theirs.

Procedure

This directive applies to all applicants currently on the centralized waitlist and to households receiving RGI subsidy.

- Applicants with assets that exceed the Maximum Asset Limit will no longer be eligible for the centralized waitlist.
- Households with assets over the Maximum Asset Limit will lose eligibility for RGI assistance from the housing provider.

Waitlist applicants will have their income and assets assessed at the time of application, and at annual reviews by the Service Manager. The Housing Provider will assess assets when an offer is made, and during tenancy. In some cases, assets will be verified during in-year reviews, particularly when a new household member is added or when a member stops receiving social assistance or is removed from the benefit unit.

If a household has assets above the Maximum Asset Limit and loses RGI eligibility, the housing provider must inform the tenant of any increase or loss of subsidy and notify the tenants the change takes effect on the first day of the month following the month in which the review was complete. The household must be notified of their right to request a review. If, within 180 days, the household can show that assets have been divested or transferred to an excluded asset, the decision will be reconsidered.

Verification of Assets

At the time of asset verification, the information provided by the household must represent a full and current disclosure of all assets.

Households must submit all information for both included and excluded assets owned by all members of the household over the age of 16. Documentation must show both the ownership and value of the asset. Information must be current and up to date, examples of verification include a bank statement for the current month, or a current mortgage statement for a property.

Households must submit mortgage statements and MPAC assessments to determine the value of real estate.

Households are responsible for declaring any assets that they may own, and it will be up to the service manager and/or housing provider to determine what assets may be included and which may be excluded when determining eligibility.

The service manager may request further verification documents during the application process.

Documentation is not required for personal belongings (for example Clothing, jewelry, and furniture), personal motor vehicles, and tools of a trade (for example electricians tools, hairstylist tools).