CALFRESH (CF) PROGRAM
REQUEST FOR POLICY/REGULATION INTERPRETATION

INSTRUCTIONS: Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Be sure to identify the additional discussion with the appropriate number and heading. Retain a copy of the CF 24 for your records.

- Questions from counties, including county Quality Control, must be submitted by the county CalFresh Coordinator and may be submitted directly to the CalFresh Policy analyst assigned responsibility for the county, with a copy directed to the appropriate CalFresh Policy unit manager.
- Questions from Administrative Law Judges may be submitted directly to the CalFresh Policy analyst assigned responsibility to the county where the hearing took place, with a copy of the form directed to the appropriate CalFresh Bureau unit manager.

1. RESPONSE NEEDED DUE TO:
   - ☑ Policy/Regulation Interpretation
   - ☐ QC
   - ☐ Fair Hearing
   - ☐ Other:

5. DATE OF REQUEST: 6/10/2013

NEED RESPONSE BY: 6/15/2013

6. COUNTY/ORGANIZATION: Shasta County

7. SUBJECT: Reverse Mortgages

2. REQUESTOR NAME:

3. PHONE NO.:

4. REGULATION CITE(S): 63-502.2(f),7 CFR 273.9(c)(4)

8. REFERENCES: *(Include ACL/ACIN, court cases, etc. in references)*
NOTE: All requests must have a regulation cite(s) and/or a reference(s).

9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

Is a reverse mortgage considered unearned income or property?

10. REQUESTOR'S PROPOSED ANSWER:

A reverse mortgage that meets the conditions of a loan as specified in 63-502.2(f) would be considered a loan.

If the loan is put into an interest-bearing savings/money market account, any interest will count as unearned income in the month it is credited (received) and after that month the interest would become a resource.

Note this response is specific to what is defined as a reverse mortgage, because there are other programs involving a home's equity, e.g., a sale/leaseback situation that may be treated differently.

11. STATE POLICY RESPONSE *(CFPB USE ONLY)*:

The state concurs with the proposed answer.

A reverse mortgage in which the borrower/annuitant receives payments drawn from the equity of the home and as such is excludable as a loan rather than countable as income or a resource. In a reverse mortgage the borrower is guaranteed regular payments for life, but legally, it is still a loan secured by the residence and when the borrower/annuitant dies or otherwise vacates the house, it is sold and the proceeds are used to repay the lender.

FOR CDSS USE

DATE RECEIVED:

DATE RESPONDED TO COUNTY/ALJ: