



## **SNAP 403-1**

### **RESOURCES**

### **Vehicles**

**Supersedes:** N/A

**Reference:** 7 CFR 273.8 (c)(2), 7 CFR 273.8(e)(3)(i) – (iii), 7 CFR 273.8(f)(1), 7 CFR 273.8(f)(2), 7 CFR 273.8(f)(3), and 7 CFR 273.8(f)(4)

**Overview:** In determining the resources of a household, licensed and unlicensed vehicles shall be included and documented by the State Agency in sufficient detail to permit verification. Some vehicles are specifically excluded. The value of vehicles shall be its equity value. The equity value is the fair market value less any encumbrances. Hard copy verification is required.

#### **OWNERSHIP:**

If the vehicle title lists only one name, the vehicle belongs to that individual, regardless of accessibility.

If the title lists more than one name, the vehicle is considered jointly owned.

Leased vehicles are not owned by the individual and therefore only need to be documented on case notes.

If a vehicle is in the process of being bought or sold, clearly document in case notes what verification was used to determine ownership.

#### **DETERMINING JOINTLY OWNED VEHICLE ACCESSIBILITY:**

If the applicant/client has possession of his/her jointly owned vehicle:

1. The equity value is countable in full to the filing unit regardless of whether the other owner(s) agrees to sell the vehicle.
  - a. Exception: If a jointly owned vehicle's ownership is being considered in a legal proceeding and the owners are prohibited from selling the vehicle, it is considered inaccessible and excluded until such time as the applicant/client can legally sell the vehicle.

If the individual does not have possession of his/her jointly owned vehicle:

1. The equity value is countable unless the applicant/client can demonstrate why he/she cannot access the value of the vehicle.

- a. The applicant/client must give a thorough and convincing argument as to its accessibility and verify the circumstances, if possible.

**FAIR MARKET VALUE:**

The standard references for determining fair market value of cars and light trucks up to 25 model years old are the National Automobile Dealers Association (NADA) Guides. The average trade-in value listed is used as the vehicle's current fair market value. Do not increase the value of the vehicle by adding the value of low mileage or other factors such as optional equipment.

When the vehicle in question is too old to be listed but is less than 25 years old, assume that the average trade-in value is equal to that of the oldest listed vehicle of like make and model. Use of the NADA guides may not be appropriate if the make and model of the vehicle is not listed or if the vehicle is 25 years old or older. These older vehicles may have greater value as a classic or antique and should be independently valued.

The applicant/client may contact a knowledgeable source to obtain other appraisals at his/her own expense. These appraisals will be considered with any other evidence, including the NADA guide value, to arrive at a fair market value.

Appraisals should be from a knowledgeable source such as an automobile or truck dealer, an automobile insurance company, or the Montana Automobile Dealers Association.

The following vehicles require verification from a knowledgeable source:

1. A new vehicle which is not yet listed in the NADA guide.
2. A vehicle which is no longer listed in the NADA guide and the applicant/client's estimate of the value is questionable.
3. The owner does not agree with the NADA guide value; or
4. A vehicle is considered an antique/classic or is custom built.

**SNAP-EXCLUDED VEHICLES:**

The following vehicles are considered excluded resources in the eligibility determination:

1. Vehicles considered inaccessible.
2. One vehicle being used as a home.
3. Vehicles whose primary use is to produce income.
4. Vehicle previously used for self-employment, but is no longer income producing because the client is no longer engaged in that business; and
  - a. The exclusion is only allowed if the individual intends to use the vehicle for self-employment within one (1) year from the date the self-employment business was terminated.
5. One vehicle with the highest equity value.

**Effective Date:** October 1, 2022

