

**Community Housing Directive****INC-2023-02 Asset Limits**

Date of Directive: July 1, 2023

Effective Date: ☒ Until further notice  
☐ To be updated annually

Section: Income Verification

Reference: O. Reg. .367/11 s. 35 (including Special Needs Providers)  
☐ Non-HSA Providers  
☒ Housing Access Peterborough (HAP) and Managers of other  
Community Housing Wait Lists

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**Intent**

To outline eligibility requirements with respect to asset limits for rent-geared-to-income (RGI) housing as required under the *Housing Services Act, 2011* (HSA).

Effective July 1, 2023, the asset limit within the City and County of Peterborough for RGI is \$75,000. This applies to new applicants, eligible waitlist applicants, current tenants and new tenants applying for, or receiving RGI assistance.

**Background**

City of Peterborough is required under the HSA to establish a local rule that sets asset limits for a household to determine eligibility for current and prospective tenants applying for rent-geared-to-income (RGI) assistance. This is referred to as asset limits.

Asset Limits restricts households with high incomes and/or assets from qualifying for subsidized housing in the City of Peterborough. The asset limits help ensure that available housing subsidies are targeted to those with the greatest need.

**Asset Limit**

Assets are valuable items owned by a household. For the purpose of this directive, assets include cash, vehicles, properties, and investments. Included and Excluded Assets are defined in Schedule 1: Asset Limit Guide.

Households are required to divest themselves of any interest in a property that is suitable for year-round occupancy as according to the HSA and City of Peterborough's Directive 2021-012 Centralized Waitlist Rules. The proceeds from the divestment do not count as income for the purposes of calculating subsidy but may be counted toward the asset limit. Households do not need to divest properties that are not suited for year-

round occupancy (e.g., non-winterized cottage, motorized home, etc.), but their equity in the property will count toward the asset limit.

## **Exceptions to the Established Limits**

### **Social Assistance Recipients**

Households where all members are a part of the same benefit unit are exempt from the Asset Limit Directive.

### **Special Priority Applicants**

In certain circumstances Special Priority applicants may be exempt from the Asset Limit Policy. (See Schedule 1: Asset Limit Guide)

## **Calculating the Value of Joint Assets**

“Joint assets” are assets where two or more people have ownership rights. For the purpose of determining whether a household’s assets are within the asset limit, if an asset is jointly owned with someone outside of the household, half of the value of the asset will be counted toward the asset limit. (See Schedule 1: Asset Limit Guide)

## **Application**

This directive will apply to all applicants currently on the centralized waitlist and current households in receipt of an RGI subsidy.

- All approved applicants with assets that are over the set Asset Limit will no longer be eligible to remain on the centralized waitlist.
- All current households with assets that are over the set Asset Limit will no longer be eligible for RGI assistance from the housing provider.

Waitlist applicants will have to declare their income and assets at time of application, during annual reviews and at time of offer. The Service Manager will be responsible for monitoring income and assets of applicants on the waitlist until time of offer, which will then be completed by the Housing Provider.

If the household has assets that are over the set Asset Limit and are no longer eligible for RGI assistance, the housing provider must serve the household ninety (90) days’ notice of its’ loss of RGI eligibility and a notice of increase to market rent for the unit. The household must be advised of its’ right to a review of the decision. If within a reasonable timeframe, the household is able to demonstrate that assets have been divested of, or transferred into an excluded asset, the decision will be reconsidered.

Assets of existing tenants are reviewed by the Housing Provider prior to making a formal offer of housing and during annual review cycles. In certain circumstances assets are to be verified during in-year reviews – specifically when a household member is being added, or when a member of a household is no longer in receipt of social assistance or is being removed from the social assistance benefit unit.

### **Verification of Assets**

Households must submit all information for both included and excluded assets owned by all members of the household (including occupants) over the age of 16. Households must submit this information using the Household Asset Verification Form, signed, and stamped by a bank official/representative in addition to any property mortgage statements and MPAC assessments, or other appropriate assessment of valuation to determine value.

For more information on what documentation is required for assets, please refer to Schedule 1: Asset Limit Guide.

### **Repealed Rules**

N/A

### **Legislative Authority**

*Housing Services Act, 2011*

O. Reg. 367/11 s. 35

### **Cross Reference**

City of Peterborough Community Housing Directive 2021-09 Income Limits

City of Peterborough Community Housing Directive 2021-12 Centralized Waitlist Rules

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## Schedule 1: Asset Limit Guide

Households are responsible to declare any assets identified in the Household Asset Verification Form and in this guide that they own / co-own and provide the appropriate verification documents for each asset. The Housing Provider is responsible for identifying what assets are included and which are excluded when determining eligibility. The Service Manager may request further verification documents during the application process.

Documentation is not required for personal belongings (e.g., clothing, jewelry, and furniture), personal motor vehicles, and tools of a trade (e.g., electrician's tools, hairstylists' tools).

An asset is reduced by the amount of verified debt owing against it (e.g., vehicle loans, liens, and mortgages).

Locked-in investments that are not cashable by the household, are not included as assets. Example: 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 (e.g., non-cashable Guaranteed Investment Certificate), the value is exempt until the maturity date.

Households are required to divest themselves of any interest in a property that is suitable for year-round occupancy as according to the HSA and City of Peterborough's Directive 2021-012 Centralized Waitlist Rules. The proceeds from the divestment do not count as income for the purposes of calculating subsidy but may be counted toward the asset limit. Households do not need to divest properties that are not suited for year-round occupancy (e.g., non-winterized cottage, motorized home, etc.), but their equity in the property will count toward the asset limit.

## Included Assets

- Bank accounts (savings accounts and chequing accounts, Tax-Free Savings Accounts (cash), overseas or foreign accounts, etc.)
- Investments (stocks and bonds, annuities, stocks, shares, bonds, term deposits, Guaranteed Investment Certificates (GICs), mutual funds, overseas or foreign investments, Tax-Free Savings Accounts (investments), etc.)

- Real estate equity anywhere in the world (such as a house, condominium, cottage, vacant land, commercial properties, etc., that households own on their own, that they own with others, that they rent out, that they have a right to occupy, or that they have any other legal or beneficial interest in). The value of the property as determined by the current MPAC assessment, minus the amount of any mortgage(s) owing and any balance owing on any loans/lines of credit secured against the property). The treatment of jointly owned assets are discussed below in the section: Calculating the Value of Joint Assets.
- Mortgages or loans receivables which the household has lent to someone.
- Non-income producing equity stake or share in a business.

## Excluded Assets

Under O.Reg 367/11, Section 32.5, certain assets are required to be excluded, these include:

- The value of the interest in one motor vehicle that is not used primarily for the operation of a business by a member of the household. See “Other Excluded Assets” for information on additional personal vehicles.
- The value of tools of a trade that are essential to the work of a member of the household as an employee.
- The value of assets that are necessary to the operation of a business that the member operates or has an interest in, subject to:
  - The value of assets of a member of the household, up to a maximum of \$20,000 for that member; and
  - The value of assets necessary to the operation of a business, up to a maximum of \$20,000 for that business.
- The value of a prepaid funeral.
- The cash surrender value of a life insurance policy, up to \$100,000.
- The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services.
- A payment received under the Ministry of Community and Social Services Act for the successful participation by a person in a program of activities approved by the administrator that will assist the person with the following:
  - The successful completion of a high school diploma.
  - The development of employment-related skills.

- The further development of the person's parenting skills.
- A Registered Education Savings Plan (RESP) for a child of a member of the household.
- The value of clothing, jewelry, and other personal effects of a member of the household.
- 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.
- 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, up to \$100,000.
- The value of funds held in a Registered Disability Savings Plan (RDSP) if the beneficiary of the plan is a member of the household.
- 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 goal.
  - For example: a scholarship program for post-secondary education.
- The value of funds held by a member of the household in a Registered Retirement Savings Plan (RRSP) as defined in section 146 of the *Income Tax Act* or in a Registered Retirement Income Fund (RRIF), as defined in section 146.3 of that Act.
- The total value of any household members' Robinson Huron Treaty Settlement monies.

## Additional Excluded Assets

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 City of Peterborough include:

- The value of the second household vehicle (i.e., car, truck, van, motorcycle) is exempt up to \$15,000, 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 applicant/tenant/member.  
Examples include:
  - Locked-in Retirement Accounts (LIRA)
  - Locked-in Income Fund (LIF)
  - Restricted Life Income Fund (RLIF),
  - Locked-in Retirement Income Fund (LRIF)
  - Non-Cashable Guaranteed Investment Certificate (GIC) only for the length of the invested term
- Note: Income from excluded assets may still count toward the household's income (e.g., income from a RRIF).

## **Exceptions to the Established Limits**

### **Social Assistance Recipients**

Households where all members are a part of the same benefit unit are exempt from the Asset Limit Directive.

### **Special Priority Applicants**

In certain circumstances Special Priority applicants may be exempt from the Asset Limit Policy. (See additional information)

- When assets to which the Special Priority applicant may have rights are solely in the name of the abuser (e.g., a matrimonial home). The Special Priority applicant must verify the ownership of the asset, within reason.
- When assets that are jointly owned with the abuser are being divided through the separation and divorce process and the amount that will be awarded to the Special Priority applicant is unknown. The Special Priority applicant must provide verification that a court proceeding is underway.
  - In these circumstances, the value of the asset(s) will not be included in the Special Priority applicant's assets until the sale of property and/or division of matrimonial assets is completed.
  - Once the separation process is complete, the value of the asset will no longer be exempt. The Special Priority applicant must be advised that they could lose their eligibility for subsidy and be required to pay market rent if the division of matrimonial assets results in being over the limit.

The full asset (100%) is attributed to the applicant/tenant/member where circumstances above are not applicable (i.e., assets that are only in the name of the Special Priority applicant or that are joint with someone other than the abuser).

## **Calculating the Value of Joint Assets**

“Joint assets” are assets where two or more people have ownership rights. In the case of joint bank accounts, all account holders can deposit, withdraw, or deal with the funds in the account no matter who puts the money in the account, and all account holders are responsible for the money in the account. Joint owners are often married or common-law spouses or an older person and their adult child(ren).

For the purpose of determining whether a household’s assets are within the asset limit, if an asset is jointly owned with someone outside of the household, half of the value of the asset will be counted toward the asset limit.

Some household members may have joint ownership of an asset such as a bank account to allow them to manage another person’s finances. In this situation, the household member must provide documentation, such as a Power of Attorney or trust account documents, to confirm that the asset does not legally belong to them. A letter or informal agreement provided by the joint account holder is not sufficient.

## **Verification of Assets**

At time of verification of assets (prior to being offered a unit for waitlist applicants and during annual reviews and applicable in-year reviews for existing tenants) the information provided by the household must reflect 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 (including occupants) over the age of 16. Documentation must show both the ownership and the value of the asset. Information submitted must be current (e.g., a bank statement for the current month, a letter obtained from the bank within the same month, or the most recently received mortgage statement for a property (seasonal dwelling)).

Households must submit this information using the Household Asset Verification Form, signed, and stamped by a bank official/representative in addition to any property mortgage statements and MPAC assessments, or other appropriate assessment of valuation to determine value.