

**INCOME PRODUCING PROPERTY GUIDE**

**Step 1: Determine the equity value of income producing property based on the tax value:**

Tax value of property: \_\_\_\_\_

Subtract encumbrances: \_\_\_\_\_

Equity value: \_\_\_\_\_

**Step 2: Determine if the a/r is ineligible based on countable resources, regardless of the 6% income test.**

From the equity of income producing property subtract the \$6,000 income producing property exclusion: \_\_\_\_\_ \$6,000.00

Property value after \$6,000 deduction: \_\_\_\_\_

Add the value of other countable resources: \_\_\_\_\_ +

Value of total countable resources (after the \$6,000 exclusion): \_\_\_\_\_

If total countable resources (after the \$6,000 exclusion) exceed the resource limit, the a/r is ineligible due to excess resources. Proceed no further. Notify the a/r of the excess resources and the right to rebut the value/reduce countable resources.

If the total countable resources (after the \$6,000 exclusion), does not exceed the resource limit, proceed with the 6% income test.

**Step 3: Determine the equity value for the 6% income test. (Equity value for the 6% income test is based on the present use value if assigned.)**

Present use value, if assigned, or tax value of property: \_\_\_\_\_

Subtract encumbrances: \_\_\_\_\_

Equity value for the 6% income test: \_\_\_\_\_

Multiply by .06: \_\_\_\_\_ X \_\_\_\_\_ .06

6% of equity to meet the 6% income test: \_\_\_\_\_

**Step 4: Determine net annual income.**

Gross monthly/quarterly/annual income: \_\_\_\_\_

Multiply by the number of payments per year.  
Monthly x 12, quarterly x 4, annually x 1: \_\_\_\_\_ X

Gross annual income: \_\_\_\_\_

Subtract annual property taxes paid by client: \_\_\_\_\_

Subtract insurance paid by client: \_\_\_\_\_

Subtract interest on mortgage payments paid by client: \_\_\_\_\_

Subtract other operational expenses (repairs, labor, etc) paid by client: \_\_\_\_\_

Net countable annual income: \_\_\_\_\_

**Step 5: If net countable annual income in Step 4 is equal to or greater than 6% of equity to meet the income test determined in Step 3, exclude \$6,000 of equity in income producing property.**