



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA INFORMATION MEMO

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TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS

FROM: *Robert J. Everhard* ROBERT J. EVERHARD, EXECUTIVE DIRECTOR

RE: TREATMENT OF REVERSE MORTGAGES AS INCOME

PROGRAM Affected: TEMPORARY CASH ASSISTANCE AND FOOD STAMPS

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

Reverse mortgages allow certain homeowners to borrow against the equity value of their home to help meet their living expenses. Under these programs, the household receives monthly payments from the lender for a set period of time. The loan holder, in turn, will hold a lien on the property until repayment is made by the homeowner or his estate.

POLICY

A payment received from a reverse mortgage is considered a loan for the purposes of the food stamp program. Do not count reverse mortgage payments to the customer if there is a verifiable agreement between the homeowner and the lender to repay the loan.

NARRATE THOROUGHLY ALL CASE ACTIONS ON CARES

INQUIRIES

Direct policy inquiries to Steve Sturgill at (410) 767-7733.

cc: FIA Management Staff Constituent Services OIM Help Desk