

ATTACHMENT 6-D
NET FAMILY ASSETS - EXCLUSIONS

[24 CFR 5.603]

Net family assets are defined as the net cash value of all assets (real property and non-necessary personal property) owned by the household, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded below.

The following are excluded from the calculation of net family assets:

- The value of necessary personal property.
- The value of all non-necessary personal property with a total combined value of \$51,600 or less (adjusted annually by the [HUD published Inflationary Adjusted Value](#)).
 - The value of any account under a retirement plan recognized as such by the Internal Revenue Service (IRS), including individual retirement accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals.
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. Examples of this may include co-ownership situations (including situations where one owner is a victim of domestic violence) where one party cannot unilaterally sell the real property, property that is tied up in litigation, or inherited property in dispute.
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member, for an incident resulting in a disability.
- The value of any Coverdell Education Savings Account under section 530 of the Internal Revenue Code of 1986; the value of any qualified tuition program under section 529 of the Internal Revenue Code.
- The value of any Achieving a Better Life Experience (ABLE) account authorized under section 529A of the Internal Revenue Code.
- The value of any “baby bond” account created, authorized, or funded by the Federal, State, or local government (money held in trust by the government for children until they are adults).
- Interests in Indian Trust Land.
- Equity in a manufactured home where the family receives assistance under 24 CFR Part 982 (Housing Choice Voucher Program). Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982 (Housing Choice Voucher Program).

- Family Self-Sufficiency accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family. The Federal tax refund must be subtracted from the total value of net family assets.
- The full amount of assets held in an irrevocable trust.
- The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household.
- Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce, or separation. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms.