
RESOURCES

GENERAL

D. VALUATION OF RESOURCES

For SSI purposes, the value of a resource is the amount of an individual's or couple's equity in it. Equity value is determined as follows:

1. Current Market Value

The current market value (CMV) of a resource is the going price for which it can reasonably be expected to sell on the open market in the particular geographic area involved.

If a resource sells for more than the CMV assigned to it, the CMV is equal to the sale price.

2. Equity Value

Equity value (EV) is the CMV of a resource minus any encumbrance on it.

An encumbrance is a legally binding debt against a specific property. Such a debt reduces the value of the encumbered property but does not have to prevent the property owner from transferring ownership (selling) to a third party. However, if the owner of encumbered property does sell it, the creditor will nearly always require debt satisfaction from the proceeds of sale.