

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### 301.01.07 EVIDENCE OF REAL PROPERTY OWNERSHIP

Property ownership must be verified. Obtain a copy of the official document used to verify ownership and file it in the case record. The following official records may be used to establish real property ownership:

- **Current Deed** – If the client does not have a copy of the current deed, a copy may be obtained from records in the Chancery Clerk’s office in the county where the property is located. A deed must be recorded in the appropriate county office to be considered a true deed documenting ownership
- **Tax Assessment Notice or Most Recent Tax Receipt** – Tax records and receipts describe the property. Phrases such as “Et al” and “Et ux” beside the name on a tax receipt indicate joint or common ownership in some form.
- **Current Mortgage Statement** – Mortgages are recorded in the Chancery Clerk’s office; however, the name of the mortgage holder must be known.
- **Report of Title Search**
- **Wills, Court Records or Relationship Documents** – Which show rights of an heir to the property after death of the former owner.

### 301.01.08 VERIFYING CURRENT MARKET VALUE (CMV)

Once ownership or ownership interest of property has been verified, determine the current market value (CMV) of the client’s ownership interest based on the coverage group of the applicant or recipient and whether liberalized or SSI resource policy is applicable.

#### 301.01.08A CMV UNDER LIBERALIZED POLICY

Establish the CMV of real property based on the county property tax assessment using the tax assessed true value as shown or calculated using the county tax receipt or more recent tax assessment notice. Use the most recently issued county tax receipt or tax assessment notice unless a CMV must be established for an earlier time period, such as to establish CMV of property transferred in a prior period.

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### **CMV UNDER LIBERALIZED POLICY** (Continued)

If the county tax receipt or other tax assessment notice does not reflect the true value, calculate the true value:

- The tax assessed value of real property divided by the tax assessment ratio is the true value based on the assessment. Class 1 property is home property and Class 2 property is non-home property. Class 2 property may adjoin home property and therefore be included in the definition of home property.
- Property in Mississippi is assessed at 10% for Class 1 (home) property and 15% for Class 2 (non-home) property.
- The assessed value divided by the applicable assessment ratio is used to arrive at the true value of property. For example, Class 1 (home) property has an assessed value of \$5,000. Divide \$5,000 by 10%. The true value is \$50,000 based on the county tax assessment.
- County tax assessors must revalue real property every 4 years according to the Mississippi Department of Revenue.

The CMV of real property under liberalized policy is initially valued using the tax assessed true value; however, if the applicant or recipient disagrees with the tax assessed true value, a knowledgeable source statement will must be obtained by the applicant or recipient and used to establish CMV. Refer to CMV under SSI Policy below for the knowledgeable source estimate method of establishing CMV.

### **301.01.08B CMV UNDER SSI POLICY**

To establish CMV using SSI policy, obtain a knowledgeable source estimate.

Knowledgeable sources include, but are not limited to, the following:

- Real estate brokers;
- Local office of the Farmer's Home Administration (for rural land);
- Local office of the Agricultural Stabilization and Conservation Service (for rural land);
- Banks, savings and loan associations, mortgage companies, and similar lending institutions;
- An official of the local property tax jurisdiction (be sure to obtain the individual's estimate rather than the office's assessment)

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### **CMV UNDER SSI POLICY (Continued)**

- County Agricultural Extension Service,
- Licensed Mississippi real estate appraisers, and
- Bureau of Land Management, the US Geological Survey or any mining company that holds leases (such as for CMV of mineral rights)

If the validity of an estimate provided by the applicant or recipient is questionable, an additional estimate must be obtained from another knowledgeable source.

### **Information to be Included in the Estimate**

The knowledgeable source estimate must provide the following information:

- The estimated value;
- The name of the person providing the estimate;
- The name, address and telephone number of the business or agency for whom the person providing the estimate works;
- The basis for the estimate, to include such things as a description of the property and its condition and, where appropriate, the value of similar property in the same area); and
- The period to which the estimate applies (which corresponds to the period for which it is being requested).

### **Providing Assistance**

Assistance must be provided if an applicant or recipient is incapable of obtaining the estimate. If the estimate is obtained by telephone, the specialist must record the required information in the case record.

### **301.01.08C CMV REBUTTAL**

When CMV has an impact on eligibility and the applicant or recipient disagrees with the CMV evidence the specialist has obtained, a rebuttal determination must be made.

The rebuttal determination must take into account:

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### **CMV REBUTTAL** (Continued)

1. All the evidence previously in the file, including but not limited to the individual's original allegation, any tax assessment notices and any estimates from knowledgeable sources,
2. Any additional evidence the individual wishes to submit, including but not limited to evidence that the individual's ownership interest in the property is worth less than the total value of the property divided by the number of owners, and
3. Any other facts the RO has about the property or about market conditions where it is located.

The rebuttal must be supported by a preponderance of the evidence which may require one or more additional estimates from knowledgeable sources.

### **301.01.08D DEVELOP EQUITY VALUE**

For both SSI and liberalized policy, the allegation of an encumbrance on the property (any legal debt, such as a mortgage, lien, loan, purchase contract, etc.) must be supported with evidence of:

- The original amount owed;
- The outstanding principal balance; and
- The schedule and amount of payments due on the principal balance.

A copy of the note or agreement establishing the encumbrance must be provided or obtained as verification of equity value.

The CMV less any legally binding debts against the property is the countable equity value for real property that cannot be excluded under any real property exclusion.