2875.10.10 INCOME FROM CONTRACT SALES (MED 1, MED 4)

When real property is sold on contract, the monthly contract payments are considered unearned income. A loan payment received by the applicant or member is not considered income in the month of receipt if the agreement meets the criteria in section 2615.55.15. Allowable ownership expenses are deducted to determine the amount to be budgeted. Payments received on a basis other than monthly are to be prorated to establish a monthly amount. The interest portion of the payment received is counted as income while the down payment is considered a resource.

405 IAC 2-3-11; 470 IAC 10.1-3-4; 7 CFR 273.9(e)(4)

Allowable ownership expenses for a land contract are:

- Interest on mortgage;
- Insurance on property and equipment;
- Principal on the mortgage; and
- Property taxes