**3437.00.00 CONTRACT SALE OF REAL PROPERTY**

For the MED 1 and 4 categories, when real property is sold on contract pursuant to a properly executed land sale contract, the monthly land contract payments, less ownership expenses, are counted as income—only the interest portion of the payments are counted as income. When payments are received on a basis other than monthly, the interest payments are to be prorated to establish a monthly amount.

For the MED 3 categories, any payments of interest and any gains on the sale received as a result of the sales contract (including that portion of any periodic payment) is to be budgeted as income in the month of receipt.

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1. 20 CFR 416.1103(f).