

Step-by-Step Guide to Calculating Assets

Step 1: Determine Liquid Assets

1. **Gather Statements:** Collect statements dated within the last 45 days for all household liquid assets. These include:
 - Savings accounts
 - Checking accounts
 - Certificates of Deposit (CDs)
 - Joint accounts
 - Money market or mutual fund accounts
 - Trust accounts (accessible amount)
 - Stocks or bonds
 - Gifts
 - Cash on hand
 - Amounts from life insurance policies
 - IRA or retirement accounts (accessible amount)
 - Other investments
 - Custodial accounts for minors
2. **Business Accounts:** Determine if business accounts should be included as liquid assets by checking if:
 - They are used for down payment, closing costs, or financial reserves
 - You are a sole proprietor or 100% owner of the business
 - Business and personal accounts are comingled
3. **Excluded Assets:** Exclude the following from your liquid assets:
 - Cash surrender value of a life insurance policy
 - Value of an IRA account
 - Value of retirement accounts (e.g., 401K, 403B)
 - Value of a 529 college savings plan

Step 2: Account for Gifts

1. **Include Gifts:** If applicable, include funds provided by relatives for down payment, closing costs, or financial reserves.
2. **Minimum Down Payment:** Ensure that the down payment meets the requirement:
 - At least 5% of the purchase price
 - 2% can come from Downpayment Assistance
 - 3% must come from the buyer's funds (which can include gifts)

Step 3: Include Annuities

1. **Annuity Payments:** Include any annuity payments already being received as income.
2. **Withdrawal Options:** If you have the option to withdraw funds from an annuity, include 60% of the annuity's full value as a liquid asset.

Step 4: Include Lump Sum Receipts

1. **Lump Sum Payments:** Include any lump sum payments as assets, such as:
 - Inheritances
 - Capital gains
 - Lottery winnings
 - Cash from sale of assets
 - Insurance settlements

Step 5: Calculate Income from Assets

1. **Add your assets**
2. **Must be \$60,000 or less to qualify**

Table 1: Liquid Assets Calculation

Type of Asset	Amount (\$)	Notes
Savings accounts		
Checking accounts		
Certificates of Deposit (CDs)		
Joint accounts		
Money market or mutual fund accounts		
Trust accounts (accessible amount)		
Stocks or bonds		
Gifts		
Cash on hand		
Amounts from life insurance policies		Only include if accessible
IRA or retirement accounts (accessible amount)		Only include if accessible
Other investments		
Custodial accounts for minors		
Business accounts (if applicable)		Check criteria for inclusion as liquid assets
Total Liquid Assets		Sum of all liquid assets
Excluded Assets		Cash surrender value of life insurance, value of IRA/retirement accounts, value of 529 savings
Net Liquid Assets		Total Liquid Assets - Excluded Assets