

# UNDERSTANDING MICHIGAN’S FOOD ASSISTANCE PROGRAM (FAP) ASSET TEST

In order to receive FAP benefits in Michigan, a household must have less than \$5,000 total in “countable” assets. An asset is generally defined as money and any property that a person can sell for value. The table below lists the assets that do not count towards the \$5,000 in countable assets. The assets listed below are not taken into consideration when deciding if your household is eligible for FAP.

Asset Category	Amount or Type of Asset Exempted
Cash	<ul style="list-style-type: none"> <li>(1) Loans;</li> <li>(2) Home insurance/disaster relief payments intended for home restoration;</li> <li>(3) Cash from sale of a primary residence (must have written agreement to purchase another residence within 12 months);</li> <li>(4) Business accounts used solely for business;</li> <li>(5) Tax and utility cost subsidy payments</li> </ul>
Real Property	<ul style="list-style-type: none"> <li>(1) Homestead (primary residence);</li> <li>(2) Non-equity value;</li> <li>(3) Property in the process of being sold (must be in good faith);</li> <li>(4) Homes under construction if owner has no other homestead.</li> </ul>
Retirement Accounts	Most common retirement accounts are exempt. See below for annuities that are not employer-sponsored.
Other Investments	<ul style="list-style-type: none"> <li>(1) Principal balance of irrevocable trusts (payments are income);</li> <li>(2) Principal balance of irrevocable, actuarially-sound annuities (payments are income);</li> <li>(3) Annuities purchased with proceeds from retirement accounts.</li> </ul>
Personal Property	Most personal property is exempt.
Vehicles	<ul style="list-style-type: none"> <li>(1) Highest-value vehicle (any value);</li> <li>(2) All other vehicles up to \$15,000 in value;</li> <li>(3) Vehicles with fair market value &lt; \$1,500 (must be licensed and registered)</li> </ul>
Any	Assets owned by domestic violence victims, where accessing the asset might put the client in danger.