

## CITY GUIDELINE

**Number:** 2007-4 (Revised February 11, 2008)

**Replaces:** 2007-4 (Originally issued June 29, 2007)

**Subject:** Transferred Assets

**Effective Date:** Immediately

**Applicable to:** Section 110 (formerly Section 103 & 106) Housing Providers  
Section 26, 27 & 95 Housing Providers with Rent Supplement

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### **Background:**

Under Regulation 298, section 50.(10), housing providers must include the interest on assets when calculating rent-g geared-to-income (RGI). “Transferred assets” are assets that are transferred from a member of an RGI household to someone outside of that household

- less than 36 months before the household begins to receive RGI assistance, or
- any time after the household receives RGI assistance<sup>1</sup>.

The interest is calculated by multiplying the value of the asset by the imputed rate of return.

Housing providers may make exceptions, if they decide that the asset was transferred in good faith and was not transferred to avoid including the asset in the RGI calculation.

Before Regulation changes in November 2005, the value of the transferred asset was reduced each year by \$2,000 until the asset was fully depreciated. The changes gave the service manager the ability to determine how the asset will be depreciated. The City of Toronto decided that housing providers must not apply any depreciation to the asset.

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<sup>1</sup> Addition from August 2007 Regulation change. Previously, the Regulation only included assets transferred before the household begins to receive RGI. It now includes assets transferred after the household begins to receive RGI.

**Action Required:**

1. Housing providers must use the same asset value each year when imputing interest on the transferred asset. The value of a transferred asset will remain the same as long as the household is receiving RGI assistance.

For more information, or if you have questions or concerns, please contact your Social Housing Consultant.

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