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DIRECTIVE
Veterans' Services

From: Secretary Thomas G. Kelley, Department of Veterans' Services

To: Veterans' Services Officers

Subj: Home Equity Loans and Second Mortgages

Ref: (a) General Laws of Massachusetts, Chapter 115
(b) 108 Commonwealth of Massachusetts Regulations 6.01(4)

1. Purpose. To provide direction on when home equities loans are considered assets and when they are not. This directive amends 108 CMR 6.01(4) a-e by adding paragraphs f and g.

2. (f) Second Mortgages. Second mortgages shall be exempt as assets so long as all of the proceeds are used to repair or make handicapped accommodations to the recipient's home within a reasonable amount of time. Proceeds used for other purposes shall be reviewed on a case-by-case basis and may be counted as assets in accordance with 108 CMR 6.02.

3. (g) Home Equity Loans. Home equity loans shall be exempt as assets so long as the cash drawn down from such a loan is used to repair or maintain the recipient's home. Proceeds used for other purposes shall be counted as assets in accordance with 108 CMR 6.02.