

## PSL Community Land Trust Frequently Asked Questions

### **How much can I sell my house for?**

*The lease says you can sell your house for what you paid for it plus 1.25% simple interest for each year you own your home, but no more than the appraised value. If you purchased your home for \$130,500, when you sell, you will earn \$1,631 for every year you owned your home. If you purchased your home for \$74,000, when you sell, you will earn \$925 for every year you owned your home.*

### **How much will I get when I sell my home?**

*For example, if you buy your home for \$130,500, and live there for 10 years, you can sell it for \$146,812, including \$16,312 in appreciation. In addition, you will have paid down your loan with your monthly mortgage payments, and you will get that money as well. Exactly how much you will get depends on the interest rate of your mortgage, making your payments on time, etc.*

### **Can I leave my home to my children?**

*Yes, you can leave your home to whomever you choose. If you leave it to your spouse, your dependent child or someone who was living in the house for at least the year before you pass, they can own and occupy your house without being income eligible. If you still have a mortgage when you pass, your heir will have to refinance that debt, just like any house.*

*If you leave your home to someone else, they either have to be income eligible to take ownership, or if they are not eligible or choose not to live in the house, the house is sold and your heir gets the money from the sale.*

### **Can I make changes to my house?**

*Yes, you own the house and can make changes to it as you see fit. However, if you want to increase the square footage or build an addition, you will need to get approval from the CLT first.*

### **How do taxes work, do I have to pay taxes on the land since I don't own it?**

*Since you have sole and exclusive use of the land, you are responsible for the taxes on both the land and the house. But because your house is resale restricted, you will be taxed according to your home's restricted value, not the unrestricted market value.*

**I saw the CLT house in my neighborhood is selling for only \$74,000. Will this CLT house bring down my property value?**

*No, the CLT home will not affect your property value. The CLT home is being sold intentionally below market and since the property is a leasehold property, appraisers can see that it was sold below market and is not an arms length transaction.*