



# What is a Life Estate? And What Does it Have to Do With Me?

This is not legal advice. Please consult an attorney about your particular situation.

## IMPORTANT PROGRAMS

There are several important programs that can help homeowners avoid tax sale and provide financial assistance, including the Homeowner's Property Tax Credit, water credits, as well as statewide and local home repair programs. They are a great tool to help someone stay in their home.

## THE CATCH

**BUT**, in order to qualify for any of these services, your name must be on the deed to your home. We see clients all the time that have been living in their homes for decades but the home is still in the name of a grandparent, parent, aunt or uncle or others. While MVLS provides the legal representation for free to help with these kind of cases, there are several other barriers to getting that house in the current owner's name.

## HOW LIFE ESTATE DEEDS HELP

There is an alternative that can keep homes with their family members. It's called a life estate deed. A life estate deed keeps the home with the homeowner for their life, and then passes to their named beneficiaries after they pass. So for example, Alice is 80 years old and owns her home. Her daughter, Ann, and Ann's son, Mark, live with Alice. If Alice passes with or without a will, Ann will have to go through probate in order to put the house in her name and receive the benefits named above (tax credits, etc.). If however, Alice does a life estate deed, it would allow Alice to still own her home while she's alive, and after she passes, the home would go to Ann without having to go through probate. The only thing that needs to occur is recording a new deed, about \$60. An attorney must draft the deed, but the good news is...  
... If you qualify for MVLS services, preparing a life estate deed is **FREE!** The only cost to the client is the approximately \$60 to record a new deed. It's an effective and affordable way to keep families in the homes they've lived in for generations.

## PROBATE

Probate is often used as a means to solve these housing issues, but it can cost between \$300—500. Assuming you get through the probate process successfully, then there are administration fees to the local government and courts, approximately \$110, and you must be current on your water bill and property taxes, before you can record a new deed putting the home in your name.

Last updated 4/26/18

More resources: [mvslaw.org/adv-planning](http://mvslaw.org/adv-planning)

Request free legal help: [mvslaw.org/apply-for-services](http://mvslaw.org/apply-for-services)

Or call intake (9 am - 12 pm, Monday - Thursday ) at 1(800) 510-0050