

Buying a home is a long term strategy. Not only does your home provide shelter and security for your family, it becomes a part of who you are. Our homes tell the story of our lives and it is important to maintain this legacy.

Alongside the pride of ownership, there are also other **benefits to homeownership**. Purchasing a home and planning for passing it onto your family can help with wealth building for you and your next generation.

HOMES CAN BUILD ASSETS

• Appreciation

- Real estate value can move up and down, but houses generally tend to hold or increase their value over time. And the monthly mortgage payment, unlike rent, is applied to a property that you will eventually own.

• Property Tax Benefits

- In Maryland, the Homeowners' Property Tax Credit Program can cap the amount a homeowner must pay in property taxes based upon their income. The Maryland Homestead Tax Credit limits the increase in taxable assessments each year.

• Equity Loans

- You can borrow against a home's equity for a variety of reasons such as home improvement, college, medical needs or starting a new business.

• Home Repair Programs

- Home repair programs may be offered to income-qualifying homeowners that can assist with a variety of necessary home repairs, like a leaky roof or a faulty furnace.

LIFE ESTATE DEEDS

There is a simple way to keep your home properly titled so that it will remain in your family after you pass away, and ensure that your family will be able to access the benefits identified above. It's called a **life estate deed** and it keeps the home with the homeowner for their life, and then passes it to their named beneficiaries after they pass.

For example, Alice is 40 years old and purchasing her first home. Her daughter Ann, age 18, lives with Alice. If Alice passes with or without a will, Ann will have to go through the process of probate in order to put the house in her name and receive the benefits named above. Probate is time consuming and very expensive. If Alice has 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, which costs about \$60. If you are in need of a life estate deed without powers, you are required to obtain lien certificate. The cost for a lien certificate is \$55.

A life estate deed can help make sure family members can remain in the home after the homeowner passes. **While an attorney must draft a deed, you may qualify for free legal services through MVLS.**

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

CREATING STABILITY

Our homes become the financial bedrock upon which our wealth is built. It is vitally important to plan to pass the home to your next generation, so that they can enjoy the same benefits of homeownership.

While you're going through the process of a home purchase, it's the perfect time to make sure you've **taken the steps to maintain you and your family's housing stability through estate planning.**

PLANNING FOR THE FUTURE

To complete your estate planning you will need to create a **will, a financial power of attorney, an advance healthcare directive, and possibly a life estate deed.** These documents will allow you to make determinations about your personal belongings, your finances, and your healthcare.

Making these decisions ahead of time will be a kindness to your family in troubling times when making decision can be particularly difficult. **Free legal services may be available to assist you through MVLS.**

Get free legal help with estate planning:

WWW.MVLSLAW.ORG/APPLY

Or call intake between 9 a.m. and 12 p.m. on Monday through Thursday at 1(800) 510-0050 or (410) 547-6537