

Two Rivers CLT Homeownership Program – Realtor Facts

Program Option I - Acquire Program

Two Rivers routinely purchases and rehabilitates homes and places them on the market at a CLT rate which is typically 20% to 30% below market value. Buyers interested in these homes can submit a purchase agreement which will be contingent upon completing the Two Rivers CLT application process.

Program Option II - Homebuyer Initiated Program (HIP)

If a buyer is interested in purchasing a home using the CLT model but we do not have any homes currently for sale that meet their needs, we will go out with them and their realtor to find a home to purchase. We then bring up to \$50,000 to purchase the land and will do an additional \$25,000 in rehab if needed. The home is then included in the community land trust and the same land lease and resale obligations are applied. This program is available in all cities in Washington County, but not available in all of Anoka County. Please review the attachments on the Homebuyer Initiated program to see participating cities. The same application process applies to buyers interested in using the Homebuyer Initiated Program.

Program Option III - New Construction

From time to time, we build new construction homes. Currently we are building five new homes in Oakdale as part of the Red Oak Preserve development. Homes are starting at \$155,000 and are 3 bedroom, 1 ¾ bath, homes with finish ready basements and attached two-car garages. Buyers interested in these homes can submit a purchase agreement which will be contingent upon completing the Two Rivers CLT application process.

CLT homeowners agree to shared equity and resale models that include receiving 100% of their earned equity, plus 25% of the increased value of the home. Homeowners also receive the full value of any qualified capital improvements that have been documented during the time of ownership.

Homebuyer Application and Approval Process:

- Attend an orientation session (1 hr and we invite the realtor to attend as well). This session reviews the CLT ownership model and land lease
- Fill out application/Income verification (lender prep session). During this session, which can be as soon after the orientation session as desired by the buyer, we review income and prepare the buyer to go to a lender to apply for a mortgage. We work with several mortgage lenders in the metro. We are required to verify income and assets similar to what the mortgage lender will do when the

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buyer applies for a loan. Buyers must have incomes within program guidelines (example: family of four must be under \$64,000)

- Complete HomeStretch homebuyer education. This course is required by the lenders as well. It is 8-9 hours offered either on a Saturday or split over a couple of days. Buyers can take it anywhere in MN that works with their schedule. Visit www.hocmn.org for more information and current schedules.
- Get pre-approval for mortgage financing with a CLT approved lender.
- Two Rivers Selection Committee reviews application for approval.

Benefits of CLT ownership:

- Ability to purchase a recently renovated home in good condition for less than market value - Get More for your money.
- Lower costs to enter homeownership. CLT contribution for land (up to \$50,000) is used like a Down Payment. CLT buyers, often do not need additional down payment and don't have to pay private mortgage insurance.
- Homeownership at an affordable price with stable monthly payments.
- Access to fixed-rate, low-interest loans, and down payment assistance.
- Tax advantages and opportunity to build equity.
- Home and relationship to the land can be inherited.
- Ongoing support from CLT community. Post-purchase support is offered to all CLT homeowners.

Benefits to realtors who work with CLTs:

- Increase your homebuyer market
 - Serve buyers who cannot afford to purchase market rate homes
- Provide more options to your homebuyers
 - Reduced mortgage payments
 - Homes in good condition
 - More home than they could afford at market rate
 - Access to products with down payment and closing cost assistance
 - CLT helps 1st time buyers navigate the system and help get to closing
- Competitive fees
 - Fees are listed on MLS for homes on the market
 - For homes not listed on MLS, we also pay competitive fees to buyer's agent

Please do not hesitate to call if you have any questions. Feel free to visit our website at www.tworiversclt.com as well.