



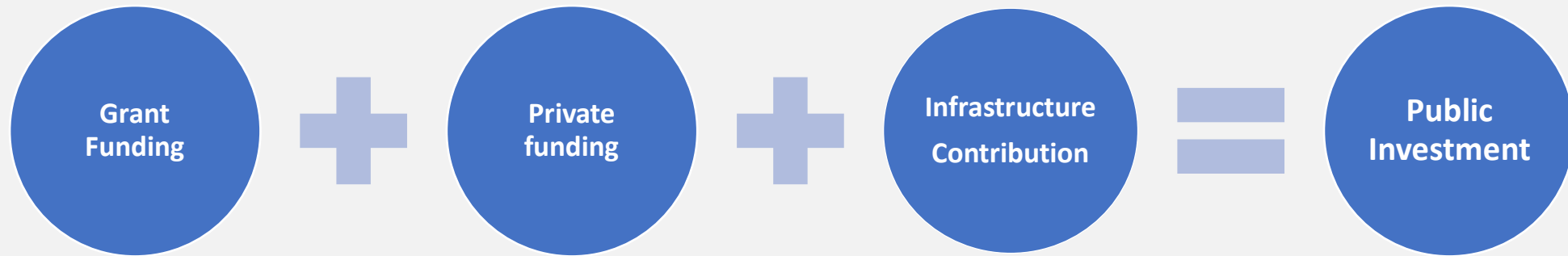
Shared
Equity
Homeownership

What is SEH?

Shared Equity Homeownership is a self-sustaining model that takes a one-time public investment to make a home affordable for a lower-income family and then restricts the home's sale price each time it is sold to keep it affordable for subsequent low-income families who purchase the home.



What is a Public Investment?



The one-time public investment can come from a variety of sources including, Federal, State & Local grant funding, Private funding, and Investment in infrastructure.

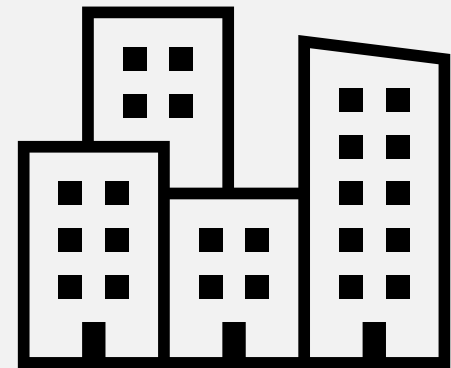
Community Land Trusts (CLT)

- A family or individual purchases a house that sits on land owned by the community land trust.
- The purchase price is more affordable because the homeowner is only buying the house, not the land.
- The homeowners lease the land from the community land trust in a long-term (often 99-year), renewable lease.
- The homeowners agree to sell the home at a restricted price to keep it affordable in perpetuity, but they may be able to realize appreciation from improvements they make while they live in the house.



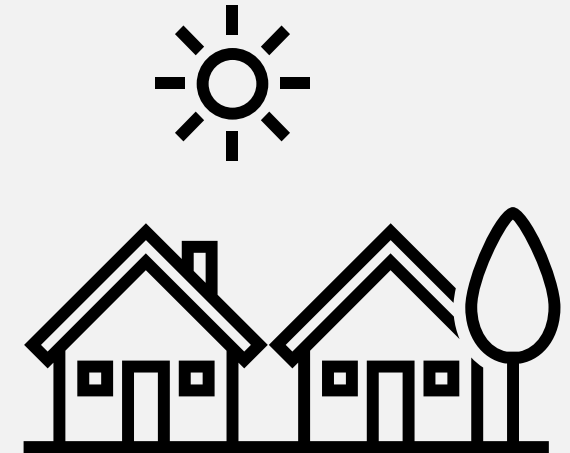
Limited Equity Cooperatives (LEC's)

- Residents purchase a share in a development (rather than an individual unit)
- Frequently found in multifamily buildings, mobile home parks, but can also be used in townhomes, single-family homes
- The resident commits to resell their share at a price determined by a formula
- Price restrictions in the formula limit the equity that LEC residents can gain when they sell their share, which maintains affordability.



Deed Restrictions

- Homeowner owns the Home and Land
- Subsidy is used to reduce the mortgage amount in which the homeowner needs to qualify.
- Restrictions are put in place to ensure owner qualification and resale price via a resale formula.
- Renews each time the home is sold, keeping the home affordable in perpetuity.



Benefits

What are the Benefits of Shared Equity Homeownership?



Statistics

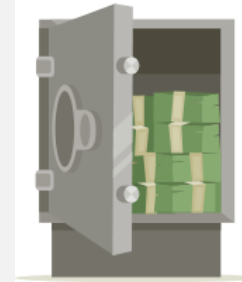


95%

of shared equity homes are priced affordably (under 30% of monthly income) for households earning 80 percent of AMI or below

7 out of 10

shared equity homeowners are first-time homebuyers



The median shared equity household accumulates

\$14,000

in earned equity. (compared to a median initial investment of \$1,875)

6 out of 10



shared equity homeowners use their earned equity to eventually purchase a traditional market rate home.



Over 99%

of shared equity homes avoid foreclosure proceedings

The share of minority households living in shared equity homes increased from

13% to 43%

(1985-2000)

(2013-2018)

