

How to Apply

1. Complete a Land Trust application and return it to our office, including copies of income documentation as specified in the application.
2. Complete the "Homestretch" class through Neighborhood Housing Services (call 727-8604 to register).
3. Attend a Land Trust orientation session (held once a month at the Damiano) or call for an individual appointment.
4. Obtain a mortgage pre-approval from one of the participating lenders below:

North Shore Bank:

Jill Winkler, 218-733-5526 (Downtown)
Julie Reinemann, 218-733-5525 (Downtown)
Elizabeth Lundgren, 218-625-1245 (Lakeside)
Chana Stoke, 218-733-5535 (Hermantown)
Corey Stenson, 218-625-1263 (Cloquet)

Wells Fargo:

Andrew Slack, 218-723-2724 (Downtown)
Gloria Moen, 218-723-2694 (West End)
Kathy Hanten, 218-723-2724 (Downtown)

US Bank:

Troy Deadrick, 218-723-2820

MN Chippewa Tribe

Finance Corporation: 218-335-8582



How to Buy a Home with the Land Trust

Creating affordable homes and strengthening our communities through the wise stewardship of land and resources.

Who We Are

Northern Communities Land Trust is a non-profit organization that has worked in Duluth for over 15 years to help low and moderate income people buy their own homes. To do this, we use the community land trust model, which assists people in need of housing *now*, while permanently preserving affordable housing in the community for future generations.

How We Help

Through our program, lower-income homebuyers receive significant downpayment and rehab assistance to purchase new or existing homes in Duluth. In exchange for this assistance, Northern Communities Land Trust maintains ownership of the land, which homeowners lease for a small fee. When homeowners are ready to move, they agree to pass on the benefits they received by selling their home below market price to another income-qualified buyer.



Ways To Buy A Home

New Construction Program:

- Any qualified buyer can purchase one of the new homes the Land Trust builds.
- Homes are \$30,000-\$60,000 below market value.
- Additional grants may be available for American Indian households.
- Qualified buyers *do not* need to be first time homebuyers

HOMELAND Program:

- Program for first-time homebuyers (some exceptions are made).
- Buyers purchase any existing home in Duluth that is on the market and receive downpayment and rehab assistance from the Land Trust.
- Up to \$20,000 in downpayment assistance and up to \$20,000 in rehab assistance is available.
- Rehab is administered by the HRA of Duluth in partnership with the Land Trust.

Resale Program:

- Any qualified buyer can purchase a Land Trust home when it comes up for resale.
- Current Land Trust homes up for resale are sold well below market price so no additional financial assistance is needed.

Renovated Homes:

- Any qualified buyer can purchase a Land Trust renovated home.
- Older homes in Duluth are purchased by the Land Trust, renovated by Common Ground and sold below market price to qualified buyers.



206 West 4th Street, Room 201; Duluth, MN 55806
(ph) 218-727-5372 (fax) 218-727-3646
www.LandTrustDuluth.org

Who Qualifies

- Anyone who meets the Income Guidelines below.
- Anyone who has good credit and can obtain a mortgage through one of our participating lenders: North Shore Bank, Wells Fargo, US Bank, MN Chippewa Tribe Finance Corporation, and Cornerstone Mortgage.
- Anyone who has regular income from an employer, from self-employment, or from other sources such as SSI.
- Anyone who completes all four steps under “How to Apply.”

2008 Income Guidelines

Household size/Income limit		Household size/Income limit	
1	\$32,950	5	\$50,850
2	\$37,700	6	\$54,650
3	\$42,400	7	\$58,400
4	\$47,100	8	\$62,150



The Lease Agreement

Since the Land Trust owns the land and the homeowner owns the home, NCLT and the homeowner sign a lease together providing the homeowner secure, long-term rights to use of the land. The lease gives the homeowner use of the land for 99 years. It is renewable, can be transferred to the homeowners children or spouse and ensures full rights of privacy. The lease also addresses the resale of the home.

When You Sell Your Home

When a Land Trust homeowner is ready to sell, there are several options. The home can be sold back to the Land Trust (which has the first option to buy), it can be sold directly to an income-qualified buyer, or it can be given to the homeowner’s children or spouse.

To determine the sale price of the home, the Land Trust uses a resale formula which provides 100% of what the homeowner has paid off on their mortgage plus 30% 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. Essentially, in exchange for buying a home at an affordable price, the homeowner agrees to sell the home at an affordable price. This preserves the affordability of the home for the next lower-income family or individual who buys it.

Community Partners

Common Ground

Common Ground is a nonprofit started by the Land Trust in 2004. They serve as the General Contractor for all of our new and rehabbed homes and are available to the public for deconstruction and complete construction services. For more information about all of Common Ground’s services, call 218-740-3666.

Neighborhood Housing Services

We partner with NHS by requiring our homeowners to complete the “Homestretch” class offered by their organization. NHS also has downpayment and closing cost assistance of up to \$2,000 for buyers in their service area. For more information, call 727-8604 or go to www.nhsduluth.org.

Salvation Army’s Home Buyer’s Club

The Salvation Army offers Home Buyer’s Club classes to help prospective homeowners understand the challenges and responsibilities that come with home ownership. Learn to examine ways you spend money, create a spending plan & track spending, learn to set goals that will help you save, learn ways to establish good credit & learn about local housing assistance programs. To register, call 722-7934 ext. 111.

Community Action Duluth

Community Action has many classes. FAIM stands for Family Assets for Independence in Minnesota. It is a matched savings program specifically designed to help people save money. “Common Cents: The Money Class” is for people who want to get out of debt, clear up their credit and start saving for the future. For more information, call Community Action Duluth at 726-1665 or go to www.CommunityActionDuluth.org.

Conventional Homeownership vs. Land Trust Homeownership

Land Trust homeownership is similar to conventional homeownership, but the land beneath the homes is owned by Northern Communities Land Trust.

The Same

- The homeowner obtains a mortgage with a bank
- The homeowner accumulates equity
- The home can be inherited by the homeowner’s spouse or children
- The homeowner pays property taxes
- The homeowner can make alterations & improvements to the home & land

Different

- The purchase price is lower—about 20-30% below the market rate
- The CLT owns the land and the homeowner leases the land from the CLT for a nominal fee (\$25/month)
- The Resale Formula ensures that the home will remain affordable when it is sold in the future