



LAND CONTRACT CHECKLIST

Before you buy, make sure the following list applies to your land contract:

- Hire title company to determine tax status and ensure owner has clear title.
- Confirm the total amount to be paid, including monthly payment, late fees, balloon payment and interest rate.
- Confirm it explains who is responsible for paying property taxes, hazard insurance and any information about an escrow arrangement.
- Have a licensed inspector do a complete inspection of any property you intend to purchase.
- Be aware of clauses limiting your legal rights to eviction proceedings, mortgaging the property or mandating disputes be settled via mediation.
- Have a lawyer review your land contract before you sign. Contact Legal Services of South Central Michigan at 888-783-8190.

After you buy:

- Record the entire land contract at the Register of Deeds.
- Ensure you receive a signed and notarized copy that is stamped as having been recorded.
- Confirm with your insurance agent that the property, and any personal property, is covered.
- If this is where you live, file a Principal Residence Exemption Affidavit with the local assessor.

**HOLD ON TO
YOUR HOME**
HOLDONTOYOURHOME.ORG

© 2016 County of Ingham



Eric Schertzing
Ingham County Treasurer
P.O. Box 215, Mason, Michigan 48854 | 517-676-7220
<http://tr.ingham.org> | holdontoyourhome.org

A GUIDE TO



LAND CONTRACTS

INFORMATION FOR BUYERS AND POTENTIAL BUYERS

Brought to you by
Ingham County Treasurer
Eric Schertzing

WHAT IS A LAND CONTRACT?

Land contracts are serious commitments — understand your rights

A land contract is an agreement for the sale of real estate paid in installments to the seller. It's a way of selling property where the seller finances the sale and acts as "the bank."

Instead of having a buyer get a loan from the bank, the buyer makes payments to the seller directly until he or she pays off the balance of the purchase price. In the meantime, the seller keeps legal title to the home. A land contract may provide a way for someone who can't or doesn't want to get a mortgage loan to purchase a home. Instead of the buyer getting a loan from a bank or credit union, the seller finances the sale.



WHY USE A LAND CONTRACT?

Many people consider a land contract as an alternative to renting. Land contracts are a form of homeownership that doesn't require going through a traditional lender. The monthly payment can often be comparable to what you pay in rent. There are also downsides to purchasing on land contract, such as higher interest rates and repair issues.

If you are considering a land contract, are you really considering all your options?

You may feel that a traditional mortgage is out of your financial grasp — but that might not be true. A traditional mortgage can often give you greater protections, including the right to be reviewed for a loan modification if you fall on hard times, monthly statements showing the progress you're making on paying down your mortgage and an explanation on how your interest rate works in plain English.

To find out how to get mortgage ready, or if you already are, schedule an appointment with the Center for Financial Health at 517-708-2550.

WHERE CAN I GO FOR MORE INFORMATION?

There is FREE help waiting for you. For more information, including an in-depth guidebook contact:

Eric Schertzing

Ingham County Treasurer
341 S. Jefferson St.
Mason, MI 48854
517-676-7220
eschertzing@ingham.org
<http://tr.ingham.org>

Center for Financial Health

3815 W. St. Joseph St., B200
Lansing, MI 48917
517-708-2550
www.centerforfinancialhealth.org

Legal Services of South Central Michigan

3490 Belle Chase Way, Suite 50
Lansing, MI 48911
888-783-8190
www.lsscm.org

Office of Financial Empowerment

124 W. Michigan Ave., Third Floor
Lansing, MI 48933
517-483-4550
www.lansingmi.gov/fec

Consumer Financial Protection Bureau

At the federal level, CFPB accepts complaints about consumer financial products and services.

P.O. Box 4503
Iowa City, IA 52244
855-411-CFPB (2372)
www.consumerfinance.gov/complaint