

Freddie Mac Community Land Trust Mortgage Checklist

We've reimaged the mortgage process for community land trusts (CLTs). We believe we've found the right balance among the interests of lenders, shared equity homeownership providers and borrowers. Freddie Mac's CLT mortgage will help you:

- Preserve affordability over time and keep affordable homes in inventory.

When lenders underwrite borrowers under Freddie Mac's CLT mortgage, the lender will be seeking the following information about the CLT program.

A copy of the ground lease:



Is it based on either the National Community Land Trust Network (NCLTN) 2011 Community Land Trust Network Model Ground Lease or the Institute for Community Economics (ICE) Model Ground Lease?



Is the lease term at least 30 years?



Are restrictions binding on current and subsequent property owners, and remain in effect (i.e., survive) until they are formally removed or modified, or terminate automatically in accordance with their terms, such as at a foreclosure sale or upon recordation of a deed-in-lieu of foreclosure?



Does it include a resale formula that limits the homeowner's proceeds at resale?



Does it provide the CLT or its assignee the right to a preemptive option to purchase the home from the homeowner at resale ("the right of first refusal")?



Does it state that the CLT must review and approve any refinances and home equity lines of credit?