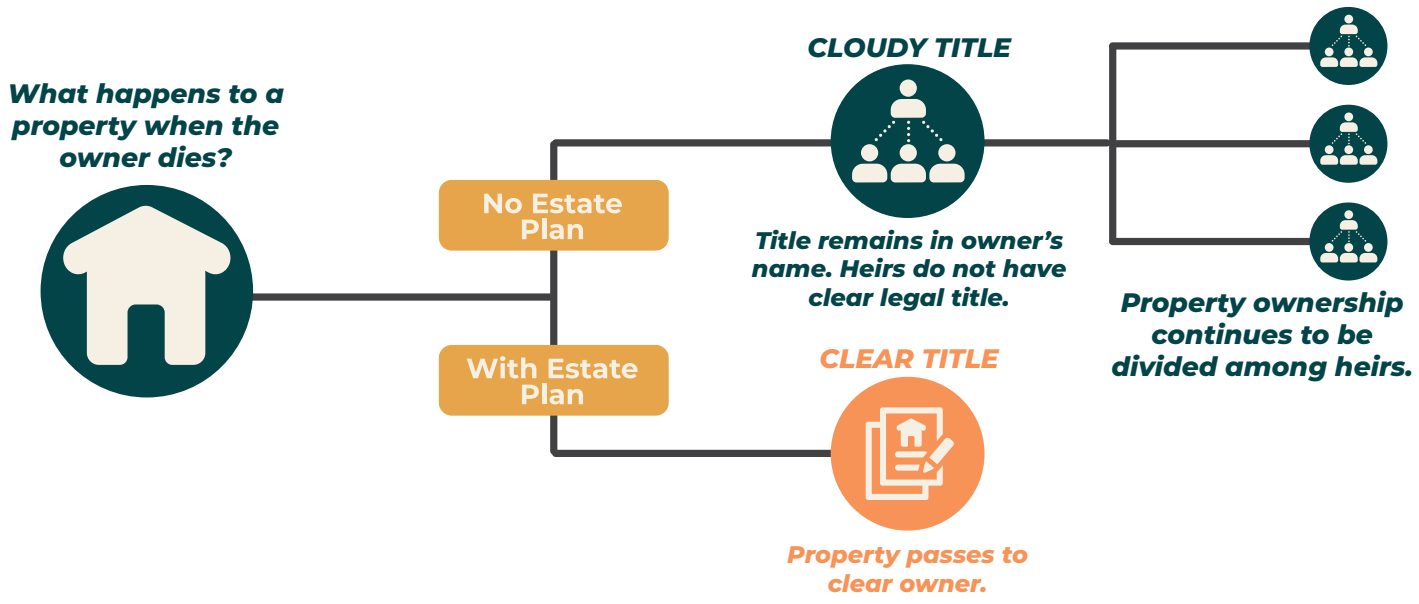
Understanding Heirs' Property

What's heirs' property?

Heirs' property is land or a home that passes down through a family, often without a clear will or legal paperwork. A property deed is a physical, legal document that proves ownership of land. It states who has title to the property. Property title is the right to use and own property. Title can be granted to more than one person or entity. When the property owner whose name is on the deed passes away and there is not a clear will or estate plan, the title to the land is passed down to their descendants. However, the deed stays in the name of the deceased relative. That means multiple family members may inherit ownership at the same time but without clear, documented rights. This creates what's called a "cloudy title."

Terms You Should Know: Title vs. Cloudy Title	
Title	**Cloudy Title**
Legal document (Deed) accurately shows who owns a property	Legal document (Deed) still lists a deceased relative, not the living heirs, as the property owner
Needed to prove ownership and access loans/programs	Makes it harder to borrow, sell, or improve property
Clear Title = Clear Rights	Cloudy Title = Uncertain Rights



Why is heirs' property an issue?

Without a clear title, families face major challenges. Heirs' property owners cannot take advantage of the wealth-building benefits of homeownership.

- Harder to qualify for loans or mortgages, since banks usually require proof of ownership.
- Harder to qualify for government programs (like FEMA disaster relief or USDA farm support).
- Difficult to sell, build on, or make improvements without every heir agreeing.
- Property value may decrease, undermining the ability to build and pass on wealth.

100% agreement among the heirs is required for any activity on the land.



How can we address heirs' property?

Resolving this issue is complex and expensive. It requires trusted legal expertise. Preventing this issue from forming in the first place is extremely important.

- **Communication and Education:** Reach out to the community to hold meetings and conversations about the heir's property issue. Provide information and resources to help families maintain ownership of their property.
- **Community Partnerships:** Work with trusted local organizations, such as churches and nonprofits, to share information and connect residents with estate planning resources to prevent the issues from recurring.
- **Access to Legal Help:** Provide affordable or free legal services to help families create wills, clear property titles, and prevent heirs' property from forming. Partner with other organizations, such as LISC, who have been successfully engaged in this work.
- **Supportive Local Policies:** Allow people living in heirs' properties to qualify for home repair grants or other programs to protect housing stability.