

Land Trust Association, Inc.

Benefits of Land Trust Association's Program

1. Provides anonymity to true owner of property if LTA structure followed.
2. Allows Investor to control multiple properties without being listed on Title or on mortgage.
3. Allows distressed homeowner to avoid foreclosure and related costs and income tax problems, retain equity in property and improve credit score.
4. Allows Investor to acquire or sell a partial interest in the property, control the Title and protect against legal problems of any party to the transaction.
5. Existing mortgage stays in place if LTA structure is followed – no bank qualifying or refinance costs.
6. If properly drawn and operated Program does not result in triggering the lender's due-on-sale clause as per the provisions of the Garn-St. Germaine Act (12USC 1701-j-3).
7. Protects the real estate held in the LTA Land Trust against the legal problems of any property owner, investor, partner, or resident of property (i.e., lawsuits, creditor judgments, IRS liens, marital dissolution, bankruptcy and probate).
8. Allows for resident of property to be removed with a simple eviction versus a foreclosure process and the (probable) necessity of an ejectment and quiet-title action that would be required in the event that a defaulting tenant-buyer make a claim of holding "Equity" in order to avoid eviction and therefore avoids the lengthy, expensive and income-delaying judicial foreclosure process.
9. Avoid the necessity of payment of capital gains taxes and/or ordinary income taxes until the termination of the agreement when title is transferred to an unrelated third party (Buyer).
10. Allows for the transfer of income tax benefits to a tenant beneficiary without a title transfer or a transfer of equitable interest in the property (thereby greatly enhancing investor's cash flow).
11. Allow for continuous leasehold and occupancy beyond three years without a resultant due-on-sale violation by simply continuing the lease on a month to month basis.
12. Allows for title protection and protection against unilateral decision making by any party to the transaction as Trustee may only act upon written instructions from **ALL** the beneficiaries who hold a "Power of Direction" (which may or may not include the Resident Beneficiary).
13. Original Owner (Settlor) cannot "change his mind" when his financial circumstances change or when appreciation exceeds his expectations or for other reasons – protects Investor and Resident Beneficiary in same manner.
14. No requirement for the payment of transfer or conveyance taxes or of documentary stamps until the property is finally transferred to a third-party buyer.
15. Property taxes are not reassessed when LTA structure is followed which could result in savings to all parties and/or to increased cash flow.
16. Allows ROTH or Traditional IRA to participate as Investor
17. Full Documentation, Title, Closing and Facilitation and Management of Deal available.
18. Members gain access to LTA Management and access to LTA Investor Pool.