

The Gift of Equity



You're selling your home. Rather than putting it on the market, you want to sell it to one of your children. With the gift of equity, you can sell it to them for less than the market value.

Here's How It Works

Say that you want to sell your home, valued at \$200,000, to your son and give him 20% equity. That \$40,000 could go toward his down payment. And thanks to your gift of equity, his mortgage would only be \$160,000. Part of that money can go toward closing costs, too.



A Family-Sized Gift of Any Size

This gift of equity can only be given to family members. This includes your children, spouse, fiancé/fiancée, domestic partner, or blood relatives. And, there's no minimum or maximum amount you can give. You can gift as little or much as you'd like. Of course, you'll want to consult with a financial advisor or tax professional to assess any tax implications.



This Gift Needs a Receipt

Both the buyer and seller must sign a gift of equity letter, which generally includes the donor's name, relationship to borrower, and address – plus the equity gift amount and a statement that no repayment is required.



Gift your equity is a great way to keep your home in the family and help the next generation achieve the American dream of homeownership. And if this is a gift you'd like to give, our Home Loan Specialists can help you wrap it up.



[Give the Gift of Equity](#)