



MACLT Home Sale and Resale Policy

Passed by MACLT Board of Directors 09.15.2025

Purpose: This policy affirms and supports the purpose of Madison Area Community Land Trust (“**MACLT**”): providing affordable homeownership to current and future low-income households. For resales, the policy is intended to accurately reflect and confirm the governing instrument between the selling MACLT member-homeowner (**the “Home Seller”**) and MACLT used to preserve affordability, which may include a ground lease or declaration of restrictive covenants (**the “Instrument”**). If any provisions of this policy are in conflict with the Instrument, the Instrument will govern, but such conflict will not negate any other provisions of this policy.

“Home” is defined in this policy to be the improvements owned by the Home Seller as described in their Instrument including both the original Home and all permanent improvements added thereafter by the Home Seller at the Home Seller’s expense. If the Home is a unit within a condo association, this policy only applies to unit-specific items.

Procedure: The procedure for the sale or resale of MACLT homes is contained in the MACLT Home Sale Procedure & Checklist. Home Seller obligations for resales are detailed in the Instrument and the MACLT Home Seller Agreement.

MACLT shall be responsive and timely in providing information to MACLT Home Sellers and shall engage Home Sellers in a Home Seller Agreement (**the “Agreement”**) which outlines their options for MACLT’s involvement in their home sale and obtains their consent to the process and obligations specified in the Agreement.

MACLT will carry out necessary sale or resale functions, including but not limited to:

- income verification according to the MACLT Applicant Selection Criteria Policy and any additional funder requirements, and
- provision of appropriate MACLT-related closing documents to the Home Seller and home buyer, including a new Instrument with exhibits and any additional required documents to the buyer, and termination of the Home Seller’s Instrument.

MACLT may charge up to \$500 in home sale cancellation fees as specified in the Agreement.

Resale Formula for the Calculation of Purchase Option Price (the “POP”): As determined by the MACLT Board of Directors and Membership at the July 2023 Annual Meeting in accordance with the MACLT Bylaws:

1. The Purchase Option Price for the resale of an MACLT home purchased by the Home Seller after July 2023 will be calculated using the “1% + QCI” formula.
2. The POP for the resale of an MACLT home purchased by the Home Seller before July 2023 will be calculated using either the “Appraisal” formula outlined in their Instrument

or the "1% + QCI" formula, as elected by the Home Seller.

3. The Purchase Option Price is a maximum price, not a guaranteed selling price.

MACLT Resale Fee: MACLT reserves the right to charge a Resale Fee of up to Five Thousand Dollars (\$5,000) on an MACLT home. The Resale Fee will be added to the POP and be payable by the home buyer. The fee may be called an "Administrative Fee" or "Resale Fee" in the Instrument. The fee may be reduced as determined by MACLT staff to keep the home affordable to the next buyer.

MACLT's Option to Purchase: Upon receipt of an Intent to Sell Notice from an MACLT Home Seller, MACLT shall have the option to purchase the home at the Purchase Option Price as specified in the Instrument.

Home Resale Using MACLT's Applicant Selection Process: As specified in the Home Seller Agreement, if MACLT does not exercise its option to purchase the home and the Home Seller chooses not to find their own eligible buyer or use their own realtor to locate a buyer, the resale will utilize MACLT's Applicant Selection Criteria and the home sale transaction will take place directly between the Home Seller and the selected applicant (buyer). In such case, MACLT will review applications, select a buyer, and certify the buyer's eligibility to purchase the home.

Failure to Find a Buyer: After receipt of an Intent to Sell notice from the Home Seller, if MACLT fails to find a buyer within the time frame specified in the Instrument, the Home Seller may sell the home to any income-eligible buyer for not more than the applicable Purchase Option Price. MACLT will determine buyer eligibility through its income verification process. The Home Seller must abide by all federal, state, and local fair housing regulations when marketing the home and selecting a buyer.

In the event the Home Seller is subsequently unable to locate a buyer and execute a binding purchase and sale agreement within the time frame specified in the Instrument, the subsequent home resale process will be governed by the Instrument.

Necessary Repairs Prior to Resale:

Inspection: The Home Seller shall make reasonable accommodations to allow MACLT, potential buyers and/or their selected third-party home inspectors to inspect the home as specified in the Home Seller Agreement and/or Instrument. If MACLT staff or a third-party inspector find that any of the following conditions are not met, MACLT may require the Home Seller to pay for such repairs prior to resale or to deduct the estimated cost of such repairs from the Purchase Option Price:

- Roof has no leaks.
- Gutters direct water away from the house.
- All exterior doors are in functioning condition.
- Functioning hot water heater.
- Functioning interior heating system.
- Functioning and properly grounded electrical system and fixtures.
- Functioning plumbing system and fixtures.

- Functioning refrigerator.
- Functioning range (or equivalent stovetop and oven appliances).

The Home Buyer may additionally negotiate with the Seller on the home price regarding other defects noted in the inspection report.