

## Sample of a Shared Equity Homeownership Transaction

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*Presented by Chris Donnelly, Director of Community Relations, Champlain Housing Trust, February 21, 2014*

Original appraised value of the home .....	\$100,000	
<u>Less original CHT investment.....</u>	<u>(\$20,000)</u>	(typically from VHCB, and is usually 20% to avoid PMI)
Price to buyer (mortgage amount) .....	\$80,000	(buyer becomes mortgage-ready, gets a mortgage and is responsible for closing fees)

*– five years pass, and owner decides to sell –*

New appraised value .....	\$120,000	(the home has increased \$20,000 in value, or about 4% per year)
Less 75% of market appreciation.....	(\$15,000)	(\$20,000 x 75% = \$15,000)
<u>Less original investment .....</u>	<u>(\$20,000)</u>	
Seller receives .....	\$85,000	