

Tax Foreclosure Acquisition Program Process and Timeline

1 Step 1- Understand the Program

Applicant reviews program documents provided

- ✓ Description
- ✓ Improvements
- ✓ Fee

2 Step 2 – Applicant Eligibility

Applicant is confirmed eligible to participate in the Program by:

- ✓ Provide completed Application Documents
- ✓ Copy of Photo Identification
- ✓ Attend Home Buyer's Success Training with the Home Ownership Center of Greater Dayton
- ✓ Supplemental Property List (if applicable)(Updated each time an eligible applicant submits a property application)

3 Step 3 – Find a Property

Applicant locates eligible tax delinquent property.

- ✓ Confirm a property tax payment has not been made on the property for at least 1 year.
- ✓ Confirm 2 out of the 3 utilities (water, gas, electric) are inactive.

MCLB reviews the eligibility the property. MCLB will research the eligibility of up to 5 properties.

4 Step 4 – Applicant Applies for Eligible Property

Applicant applies to acquire the eligible property

- ✓ Submit Property Application and Affidavit
- ✓ Applicant executes a purchase agreement regarding improvements and reverter deed

Tax foreclosure proceedings occur over the next 9-18 months.

5 Step 5 – MCLB Takes Ownership of the Property

If the tax foreclosure is successful, MCLB acquires ownership of the property.

6 Step 6 – Applicant Receives the Property

Applicant signs reverter deed for the property. MCLB transfers the property to the applicant.

7 Step 7 – Property Owner Responsibilities Begin

Applicant becomes new owner of the property and accepts all responsibilities of ownership.

- ✓ Take **BEFORE (interior & exterior)** photos of the property.

Improvements must occur within 6 months. All real estate taxes are the responsibility of the new owner.

Photos of the improvements (**BEFORE and AFTER photos**) must be sent to MCLB no later than the 6 month anniversary of the acquisition. Photos can be either mailed to MCLB, 130 W. Second St., Ste. 1425, Dayton, OH 45402 or electronically submitted (.jpg or .pdf) to aschmaltz@mclandbank.com.



Montgomery County Bank
130 W. Second Street, Suite 1425
Dayton, OH 45402

Tax Foreclosure Acquisition Program Description

INTRODUCTION

The Montgomery County Land Bank's (MCLB) Tax Foreclosure Acquisition Program allows qualified applicants to acquire vacant lots and abandoned residential properties for the purposes of:

- Yard or home expansion
- Building renovation for sale or rent
- Building demolition for lot sale or rent
- New construction

This program helps to transform vacant and blighted properties into productive assets, thereby stabilizing property values and revitalizing streets and neighborhoods.

APPLICANT QUALIFICATIONS (applies to spouse, co-applicant, or any legal entities which you have an interest in)

- Must complete a Home Buyer's Success Training with the Home Ownership Center of Greater Dayton (HOCGD)
- Authorizes the running of a credit report/background check and any other investigations that MCLB deems necessary to establish applicant's eligibility.
- No building, housing, or zoning code violations during the last 2 years on any properties you own or have an interest in
- Real estate taxes and assessments for all properties you own are current and paid on-time during the last 2 years
- Local, state, and federal taxes are current during the last 2 years. Any tax-related certificates of judgements must be closed for 2 years
- No foreclosure actions during the last 2 years on any properties you own or have an interest in
- Not involved in any bankruptcies during the last 2 years
- Applicant cannot, at any time, have more than 3 properties in process with the Land Bank's Tax Foreclosure Acquisition Program or recently acquired through the Land Bank's Tax Foreclosure Acquisition Program and still remain unimproved. It will be the opinion of the Land Bank's staff what defines unimproved.
- Cannot have been banned from participation in Land Bank programs
- Must currently live or own property in Ohio



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PROPERTY QUALIFICATIONS

Properties must meet the following requirements in order to be eligible:

- 1-4 unit residential
- Taxes delinquent at least 1 year
- “Unoccupied” per Ohio Revised Code 323.65 (Unoccupied means the property is physically uninhabited, there is an absence of utility connections, it is not being actively marketed, and no person or business is visibly present)

Properties cannot

- Be included in bankruptcy proceedings
- Be involved in a probate case
- Be encumbered by Federal Tax Liens
- Be involved in a strategic redevelopment program or intended for use by the community
- Be actively marketed for sale or rent
- Have an active application
- Have other reasons under the Ohio Revised Code that prohibit processing an active application

HOME BUYER’S SUCCESS TRAINING

There is a steep learning curve to buying a house. This one-on-one 60 minute session will make sure you have enough information to make informed decisions about acquiring a house. Please bring to the session:

- Income verification and a list of current expenses
- Information regarding a property you are interested in applying for

After you have submitted a *Purchaser Application*, MCLB will provide your contact information to the HomeOwnership Center of Greater Dayton. The HomeOwnership Center will contact you to schedule your session.



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PROCESS

Eligibility & application

- Interested party must attend a one-on-one education session with HOCGD staff regarding personal and financial preparedness for property ownership.
- Interested party finds a tax delinquent property and confirms 2 out of the 3 utilities (water, gas, electric) are inactive.
 - a. MCLB reviews the eligibility of both the interested party and the property. MCLB will research the eligibility of up to 5 properties.
- Once both the interested party and the property are determined to be eligible, the application/affidavit is submitted to MCLB with the appropriate fee and the photo ID.

Tax Foreclosure

- MCLB submits paperwork to initiate the tax foreclosure. This is a legal process that takes approximately 12 months, but can take longer. If the property is rejected from the process, a partial refund is provided to the applicant. If the tax foreclosure is successful, MCLB receives the recorded Sheriff's Deed.

Post Acquisition

- MCLB prepares new deed to property transferring ownership to Applicant/New Owner. MCLB also prepares a reverter deed to assure compliance of obligations by new owner, such as payment of real estate taxes and improvements of the property. The New Owner must sign it.
- New Owner is required to take photos of the property (interior and exterior) **BEFORE improvements are started**
- New Owner is responsible for real estate taxes, beginning with the **next tax bill** after the property is transferred. Tax bills are typically due in February and July.
- New Owner has six months to improve the property in order to comply with local ordinances and laws. Photos of the improvements (BEFORE and AFTER photos) must be sent to MCLB no later than the 6 month anniversary of the acquisition. If MCLB finds that the New Owner is in violation of the agreement (improvements, real estate tax payments, providing photos), MCLB will notify the new owner of the violation. Upon doing so, MCLB will record the reverter deed and the ownership of the property will return to MCLB. If this option occurs, the new owner is no longer allowed access to the property since they no longer own it and are banned from any further participation in all Land Bank programs.



Tax Foreclosure Acquisition Program Obligations of the New Property Owner

When you acquire a property through the Montgomery County Land Bank's Tax Foreclosure Acquisition Program, you are agreeing to pay the property taxes after you own it and that you will improve and maintain the property. Six months after the property is transferred to you, the MCLB will audit the property to confirm you are meeting this obligation. If you are not meeting your obligations, MCLB can, at its discretion, reclaim ownership of the property by recording the reverter deed signed at the acquisition.

What are reasons MCLB would implement the reverter deed to reclaim ownership of the property?

- **Non-payment of real estate taxes and assessments.** As a reminder, taxes are billed one year behind. This means, for example, if you take possession of the property in December, you will be responsible for the tax bill which comes in February even though you did not own the property during the year billed.
- **Property has not been improved and/or is not being maintained.** MCLB will be looking for the following improvements:
 - o Lawn must be maintained per community zoning standards.
 - o Dead shrubs & trees have been removed; vegetation is not overgrown to the point of blocking porches, windows, entrances, and doors. Property is maintained per community zoning standards.
 - o Trash and debris on the property have been removed; items in the yard meet community zoning standards.
 - o Broken and open doors and windows have been replaced or repaired; windows and doors are not boarded.
 - o Roof is in good repair; it is not tarped and does not have any openings, missing shingles or moss growing on it.
 - o Evidence of exterior improvements such as securing gutters and downspouts, removing moss from siding or brick, addressing chipped or flaking paint.
- **Photographic proof of improvements not provided to MCLB within 6 months of the transfer.**

Additionally, MCLB may use unmanned aerial systems (a drone) to document the property's condition at the time of transfer and/or approximately 6 months from the transfer.



Tax Foreclosure Acquisition Program Fee Schedule

Payment: Fee must be paid to Montgomery County Land Bank (MCLB) in full, at the time the completed application is submitted, via money order, cashier's check, or personal check.

Vacant Land - Adjoining owner (lives next door to property)	\$2,000 per property
Vacant Land – Non-Adjoining	\$3,000 per property
Property with Structure	\$5,000 per property

Owner occupants can apply for \$1,000 refund after they provide evidence that they have lived in the house for at least a year.

PAYMENT BY MONEY ORDER, CASHIER'S CHECK OR PERSONAL CHECK.

Terms:

If during initial review, the property is found to be ineligible for this program, the fee minus \$250 per property will be returned to the applicant.

If after submission of the property into the tax foreclosure process it fails to meet the program's criteria, or due to circumstances out of the control of the applicant, the property is removed from the foreclosure process, MCLB *may* return a portion of the unused fee to the applicant.

If, in the sole opinion of MCLB, the applicant is found to have falsified statements on the application or fails to fulfill his/her obligations for any reason, the entire fee will be forfeited. This includes verification of utility consumption at the property.

When an application is submitted, MCLB assumes the applicant has determined that s/he wants to acquire the property even after it has remained unoccupied for an additional 12-18 months after the application. Submitting an application and then attempting to withdraw the application will result in the entire fee being forfeited. Additionally, this decision by the applicant will deem him/her ineligible in future program involvement.



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