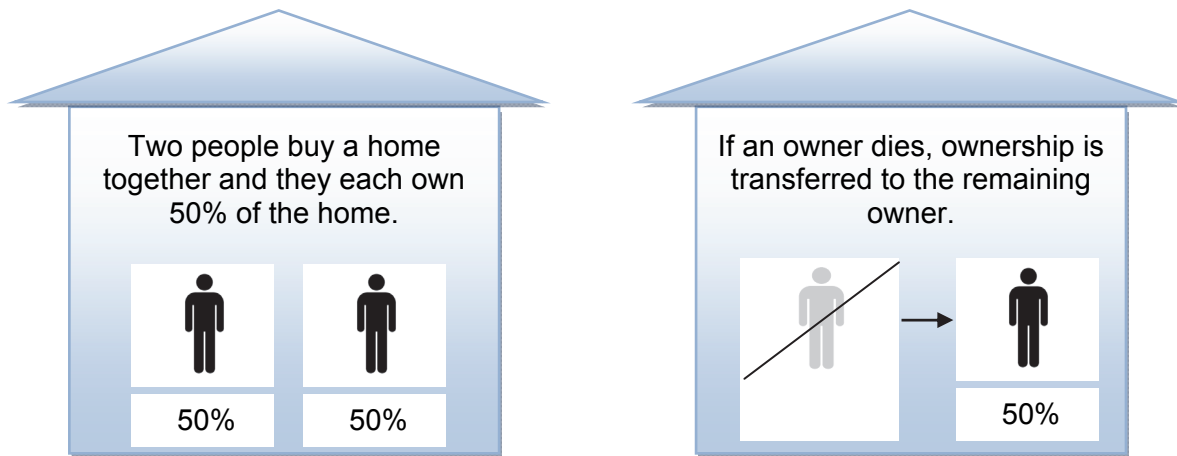


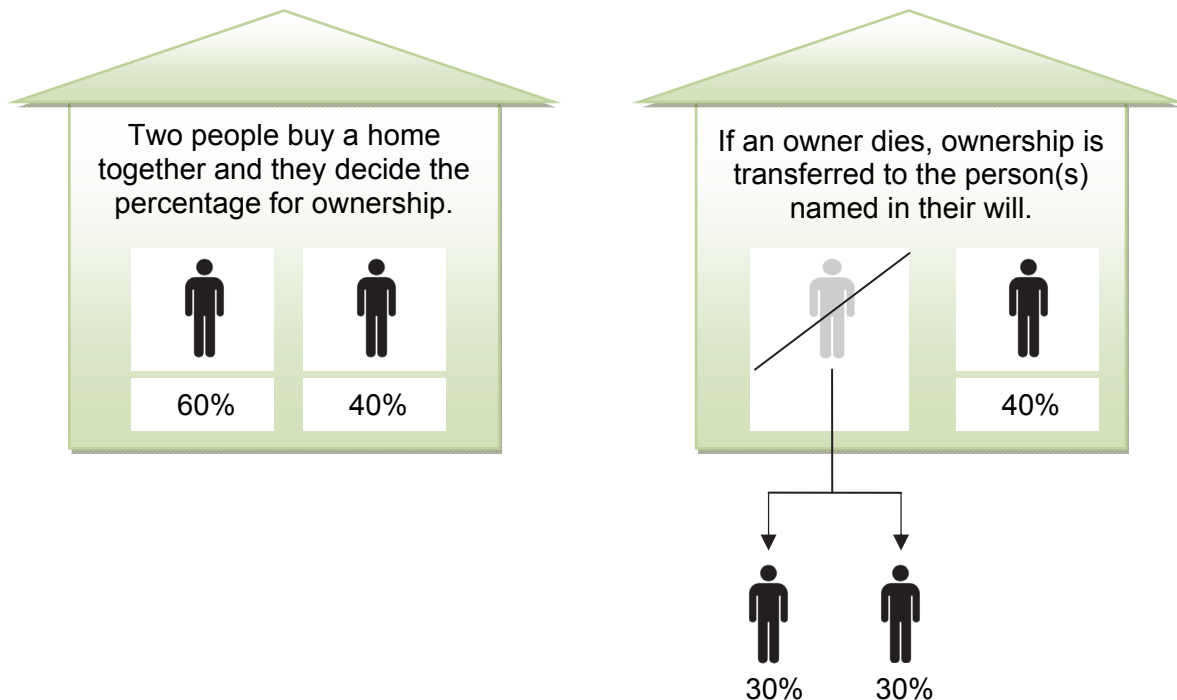
## TYPES OF HOMEOWNERSHIP

In Minnesota when two or more people buy a home together they can choose joint tenancy or tenancy-in-common. This Fact Sheet provides an overview of both types of ownership.

**Joint Tenancy** is when two or more people own equal shares of a home. If an owner dies, ownership is transferred to the remaining owner(s). This is called the “right of survivorship.”



**Tenancy-in-Common** is when two or more people own a home. Ownership does not have to be equal. If an owner dies, ownership is transferred to the person(s) named in their will.



### **Tenancy-in-Common Agreement**

When choosing tenants-in-common, a tenancy-in-common agreement is recommended. Agreements are usually written with the assistance of a real estate attorney.

The agreement generally includes:

- The agreed to percentage of ownership for each owner.
- A formula to determine the amount of each owner's payment.
- Consequences for an owner not paying their portion of the mortgage.
- How property maintenance and the cost will be shared.
- Restricting the sale or transfer of ownership without the consent of the other owner(s).
- Acceptable reasons and the price to buyout an owner.
- What happens if an owner declares bankruptcy or in the event of a death.

### **Frequently Asked Questions**

#### **Who is legally responsible for paying the mortgage?**

Anyone who applied for the mortgage loan is considered a borrower. Every borrower must be listed on the mortgage and is legally responsible for paying the mortgage.

#### **Who has ownership rights?**

The deed transfers ownership from the seller to the buyer. The mortgage obligates payment of the mortgage loan. Anyone named on the deed or mortgage has ownership in the home and must agree before the home can be sold or refinanced. Persons not listed on the mortgage, can be named on the deed.

#### **Do spouses have ownership rights?**

In Minnesota spouses are legally entitled to ownership, and are not required to be listed on the mortgage or deed. This also applies if the home was purchased prior to marriage or if the marriage dissolves.

#### **What happens if an owner dies without a will?**

For tenancy-in-common, probate court transfers ownership to their heirs. With joint tenancy, the ownership is automatically transferred to the remaining owner(s). A will does not change the right of survivorship.

*This information is provided as a service of the Minnesota Homeownership Center and is not legal advice.  
Consult a competent legal professional for advice specific to your situation.*

For additional information speak to a Homeownership Advisor in your area by contacting the  
Minnesota Homeownership Center: 651-659-9336 or 866-462-6466 or [www.hocmn.org](http://www.hocmn.org)