We’ve reimagined the mortgage process for Community Land Trusts (CLTs). We believe we’ve found the right balance among the interests of lenders, shared equity homeownership providers and borrowers. Freddie Mac’s Community Land Trust mortgage will help you:

- Preserve affordability over time and keep affordable homes in your inventory.
- Become aware when a borrower has fallen behind on their mortgage payments.
- Help borrowers avoid foreclosure.

When lenders underwrite borrowers under Freddie Mac’s CLT mortgage, the lender will be seeking the following information about your program.

The following is a checklist of items to assist you in helping lenders underwrite mortgages in accordance with Freddie Mac’s CLT mortgage requirements:

- **A copy of your ground lease:**
  - Does it conform to either the National Community Land Trust Network (NCLTN) 2011 Community Land Trust Network Model Ground Lease or the Institute for Community Economics (ICE) Model Ground Lease?
  - Is the lease term at least 30 years?
  - Does it include a resale formula that limits the homeowner’s proceeds at resale?
  - Does it provide the CLT or its assignee the right to a preemptive option to purchase the home from the homeowner at resale (“the right of first refusal”)?
  - Does it state that the CLT must review and approve any refinances and home equity lines of credit?

- **Does the CLT or its duly authorized representative administering resale controls and restrictions provide home counseling services or have established partnerships with, at least, one organization that does?**

- **Can you provide information about the home counseling services your organization provides or the name of, at least, one home counseling organization with which you have an established partnership?**

- **A copy of your most current IRS Form 990 or, if the Form 990 is not available, a copy of your most current financial statements.**

- **If your CLT is a nonprofit entity, do you have confirmation that your organization is current in filing its Internal Revenue Service (IRS) Form 990, Return of Organization Exempt from Income Tax?**

For more information about Freddie Mac’s requirements for the sale of CLT mortgages, see the Freddie Mac Single-Family Seller/Servicer Guide Chapter 4502.

1 If IRS Form 990 is not available, the lender is required to review either an audited financial statement or a prepared annual report, which includes financial statements for the most current year to determine the stability and performance of the CLT. The lender must confirm that Part I or Part III of the most recent IRS Form 990 filing clearly describes the entity’s mission and activities as affordable housing development and/or community benefit real estate. The lender will also review assets and liabilities disclosures for both the prior and current year in Part I to confirm that liabilities do not exceed assets as a prime indicator of financial stability.