



Minors Trust Fund

HOUSING GUIDE

I want to buy a house. How do I get the process started?

House buying is a monumental step in life. The Department of Treasury is happy to guide you in the process.

Step 1 is knowing your budget. You are eligible to take up to 80% of your account balance for buying a house. Be aware that you pay 25% federal taxes on any disbursement. **Example:** If your balance is \$200,000 and you can withdraw up to 80%, then you have \$160,000 available for house purchase. BUT if you withdraw \$160,000 and 25% is \$40,000, then \$40,000 is paid to the IRS and \$120,000 is the cash amount available for your house purchase. We do not withhold any state taxes and you will be responsible for any amount owed to the state because of disbursement for Housing. As a reminder, you have access to your account details at www.usicg.com.

Email Connor Reed at connreed@ebci-nsn.gov for a housing worksheet that will give you breakdown of your 80% withdraw amount, tax payment, and any amount that is the buyer's responsibility.

Step 2 is finding the house you want and negotiating the right price. You must also get an appraisal of the house to ensure the selling price is comparable to the appraised value of the home. Order this as soon as you are sure you have found the house! The appraisal can take up to 8 weeks for completion. The Treasury Office does not make a recommendation on which appraiser to use – this will be your responsibility.

Step 3 is ensuring you have the money available for any portion of the house purchase that you may be responsible for. The guidelines require each Minors Fund participant to contribute at least 2% of the housing cost but in some cases, the participant contributes more, depending on purchase price and the maximum amount available for housing based on the 80% rule in Step 1.

Step 4 is submitting your application, entering a contract for house purchase, obtaining an appraisal on the house, and providing proof of income to support being a homeowner. Even if you pay off the house, you will still need income for utilities, repairs and maintenance, home insurance (you must protect your assets), property taxes, and more.

* If you are building a house on the Qualla Boundary, then you must show proof of land ownership or if you are buying a mobile home then you must provide proof of land ownership or a 10-year lease agreement. Also, you are required to complete the Infrastructure Housing Form. Please note that a stand-alone land purchase is not permitted but any house sold with land is great.

** Once you have your completed application with the appraisal, proof of income, and your housing contract, you turn all documents into the Department of Treasury. There is no deadline for Housing applications. Once you have a fully complete application package, payment can be made in as little as three weeks.

*** Housing purchases are not limited to the Qualla Boundary or North Carolina. If you have a complete housing package, you are eligible for a housing distribution.