



Heirs' Property

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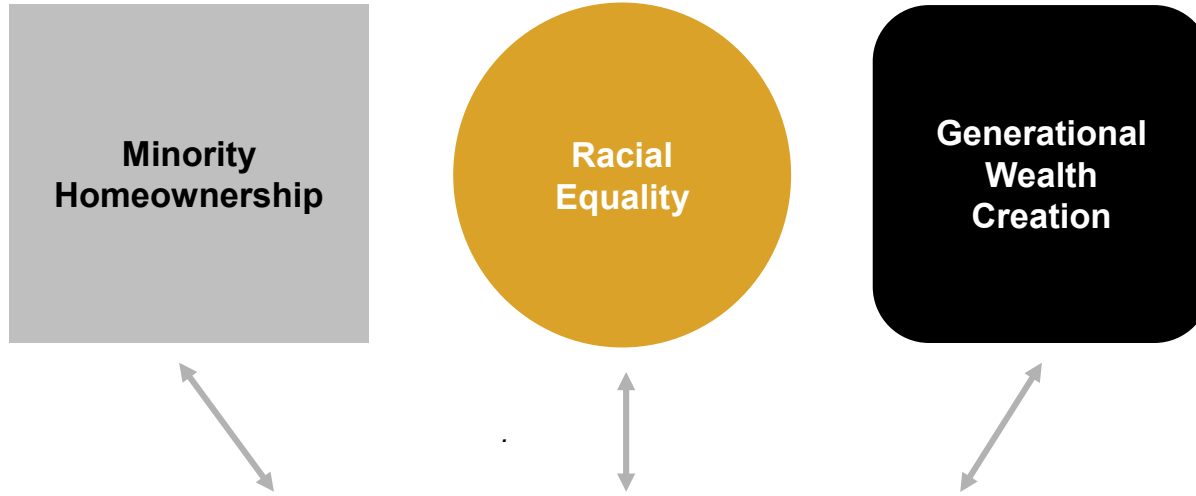


Unlocking Opportunity: Heirs' Property

- An Often Unknown but Pervasive Barrier
- Scale of the Problem
- Impact of the Problem
- Addressing the Problem
- Next Steps



Financial Institutions – Today's Challenges and Opportunity



Solving the Heirs' Property Challenge in Your Communities

Heirs' property is disproportionately found in racial and ethnic minority communities, in low-wealth families, and in both rural and distressed urban areas



An Often Unknown but Pervasive Barrier



Property that passes from generation to generation without designating one owner or entity to manage the real estate, which results in many people owning the property

Legal definition of heirs' property in Uniform Partition of Heirs Property Act (O.C.G.A. 44-6-180)

Heirs' property is created when:

The owner dies **with a will** leaving property to **multiple beneficiaries**; or

The owner dies **without a will** so the property passes to heirs at law via **intestate succession**



- ✗ Fractured or tangled title
- ✗ Multiple beneficiaries
- ✗ Recorded deed typically in the name of the deceased relative



An Often Unknown but Pervasive Barrier



- Many **blighted properties** are abandoned heirs' properties
- Status makes it difficult for cities to identify owners, enforce code ordinances, and collect property taxes
- Heirs' property is a contributing factor to the decrease in owner-occupied homes
- Heirs' property hinders efforts to increase **affordable housing** and family stability
- Communities can lose funding for **revitalization efforts** if heirs' property is pervasive



Scale of the Problem

- Research and commentaries on heirs' property centers on its widespread existence and consequences in the **southern Black Belt region** of the United States
 - The southern Black Belt includes mostly rural counties extending from southern Virginia across the Carolinas and as far west as east Texas, with African-American populations that exceed national averages
- In 1980, the Emergency Land Fund estimated that **41 percent (3.8 million acres)** of all Black-owned land in the Black Belt region was heirs' property
- For example, in Georgia, **\$34 billion** worth of tax appraised property is probable heirs' property according to a 2017 USDA study*

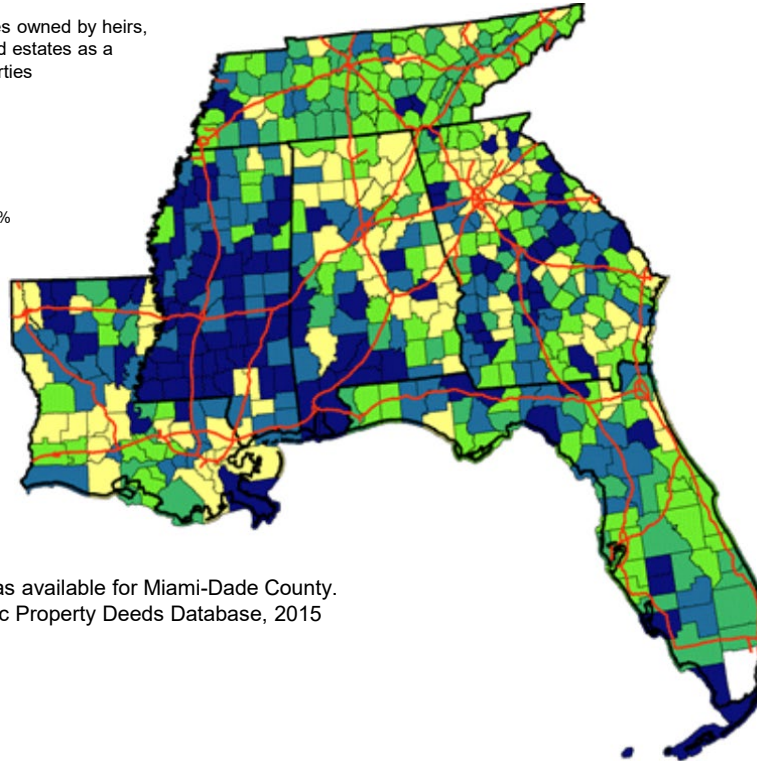
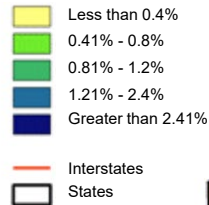
* Scott Pippin, Shana Jones, Cassandra Johnson Gaither, "Identifying potential heirs properties in the southeastern United States: A new GIS methodology utilizing mass appraisal data," USDA Forest Service Southern Research Station, e-General Technical Report SRS-225, September 2017.



Scale of the Problem

Percentage of Residential Heirs' Properties by County in the Southeast

Percentage of properties owned by heirs, tenants in common, and estates as a percentage of all properties



Note: No data was available for Miami-Dade County.

Source: Corelogic Property Deeds Database, 2015

Source: Federal Reserve Bank of Atlanta



Impact of the Problem

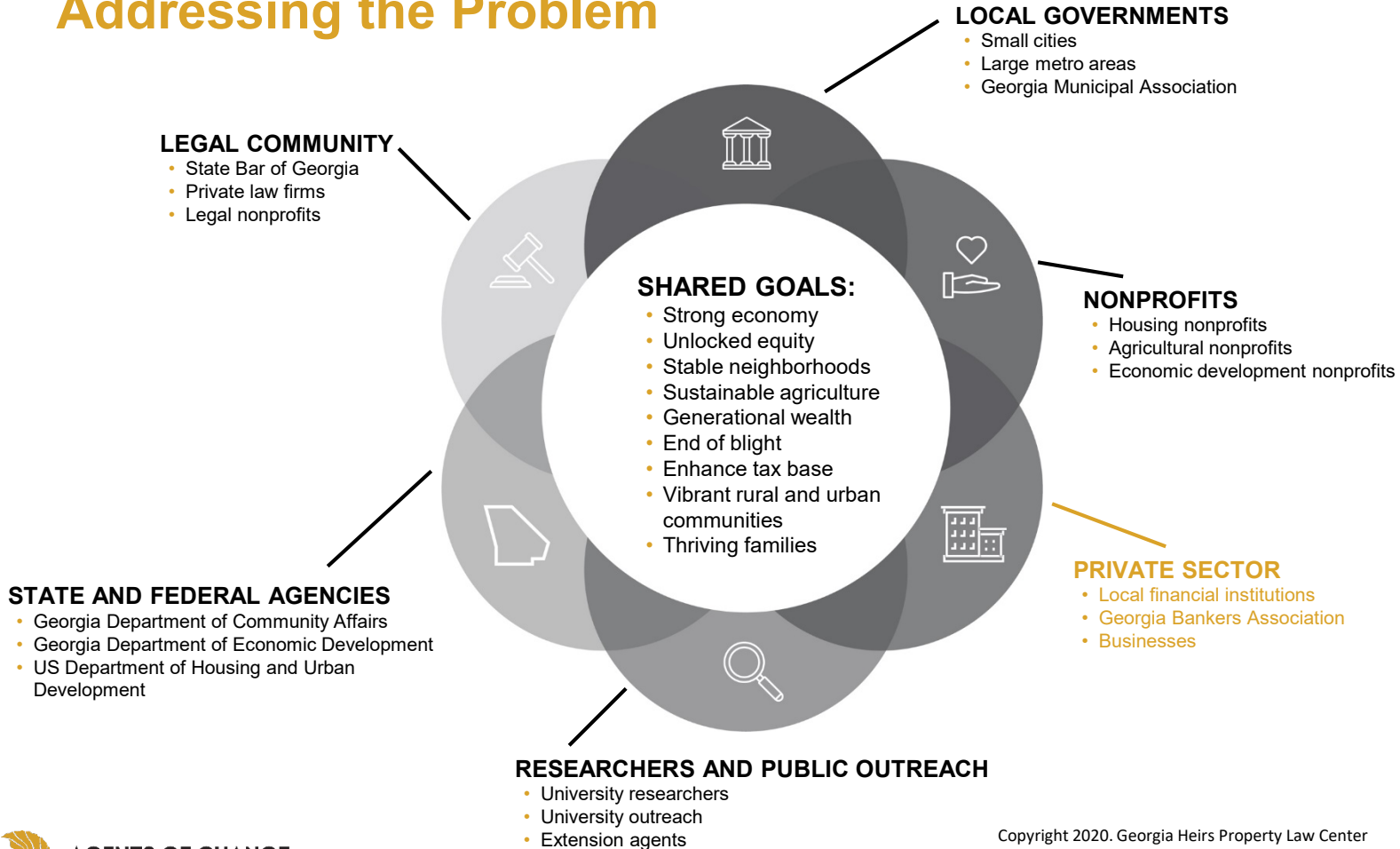


Property owners without a clear title encounter significant barriers to wealth generation:

- They are unable to open a line of credit or apply for a **mortgage**
- They are unable to use the **property as collateral** for a loan to start a business or send their kids to college
- They are **unable to generate income** by leasing the property
- They are **unable to generate income** by farming or selling natural resources on the property
- They are **unable to sell** the property
- They are **unable to pass the property** on to their family



Addressing the Problem



How You Can Be a Part of the Solution

Heirs Property Prevention and Resolution Funders' Forum:

- Pilot Initiatives:
 - Education and awareness
 - Pro-bono legal services
 - Local government innovation
 - Academic research

December 2, 2021, 9am-2pm
Atlanta, GA

Sponsor Organizers:



Other Participants:

Foundations
Financial institutions
Public sector
Legal community
Realtors association
Others



Thank You

