

# Life Estate Reserved

Ways  
to  
Give

Coyote Hill accepts a gift of property (either a personal residence or farm) and the donor retains the right to use the property for his or her lifetime.

## THE NEED

A person may desire to leave his or her house or farm to Coyote Hill at death but would like a current tax benefit.

## THE SOLUTION

Donors can deed a home or farm to Coyote Hill but keep the right to use the home or farm for their remaining lifetime.

## THE BENEFITS

### *Tax Deduction*

The donor receives a current federal income tax deduction for the present value of the remainder interest in the home or farm.

### *Preserves Lifetime Use*

The donor is able to use and control the home or farm while alive.

## THE DONOR

Donors who want to remain living in their homes and desire a current income tax deduction.

## THE DETAILS

A donor executes a deed transferring a house or farm to Coyote Hill. On the deed, the donor retains a “life estate” that grants the donor the right to use the home for life. At the time of the gift, the donor and Coyote Hill enter into a Maintenance, Insurance and Taxes (MIT) agreement.

### *Duration*

The Life Estate typically lasts for the life of the donor.

### *Deed Restrictions*

The deed of the remainder interest to Coyote Hill must not be restricted.

### *Mortgage*

It is possible for a donor to make a gift of a remainder interest even though there is a mortgage upon the residence.

### *MIT Agreement*

The donor agrees to be responsible for the maintenance, insurance and taxes on the property.

