



PARENT OWNS +

Parent owns a second property for use by a family member with a disability AND rents a portion of the property to a housemate(s)



What is This?

Parents can purchase a second home in their name for use as the residence of the family member with a disability and housemate(s). The property can remain in the name of the parent(s) during their lifetime, and transfer to their heirs upon the death of the parent(s).

The parent(s) may have an informal understanding with the heirs to continue rent to the family member with a disability, but the heirs are under no legal obligation to continue to do so. The parent's informal agreement could include an understanding of the circumstances under which the family member with a disability would move from the home, such as if the neighborhood became unsafe or if the home no longer met the person's accessibility needs.

The parent(s) should enter into a lease agreement with any housemate(s). The housemate(s) is a tenant and the parent(s) is the landlord. If the housemate(s) has a disability, the parent(s) should be aware that they must charge fair market rent or the tenant/housemate(s) will be at risk for reduction or loss of public benefits (i.e. Medicaid and SSI). Information in this section highlights the unique considerations that come into play when the housemate(s) is a person with a disability.

See "[Parents Own Second Property and Rents Only To their Family Member with a Disability](#)" to explore the difference between these options.

What Circumstances Make this a Possible Fit?

- ✓ The parent(s) has the financial means to purchase a home in their name(s).
- ✓ The parent(s) is able to pay the mortgage even if they are unable to identify a tenant/housemate(s) to defray housing costs (mortgage payments, taxes, renovations, etc.).
- ✓ The parent(s) seeks the benefit of providing a home where the family member with a disability can live long-term and wants the value of the home to go to other heirs when the family member with a disability passes away or is no longer able to live in the home due to changes in health condition or deterioration of the neighborhood.
- ✓ The parent(s) is comfortable with an informal understanding with the heirs to continue to rent to the family member with a disability. Without a trust, any agreement about how the property will be used can be ignored, or subject to creditor risks.
- ✓ The parent(s) is willing to be a landlord and is able to resist control over the day-to-day activities within the home and recognize that the tenant(s)/housemate(s) have rights to privacy, choice of activities, etc.
- ✓ The parent(s) is willing to undergo training on tenant-landlord law if seeking assistance from Hamilton County DDS to find housemates.





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- ✓ The parent(s) is aware that each housemate/tenant has unique needs, wants, strengths and weaknesses and that each may also have a parent/guardian who desires to ensure that their family member is happy in the living arrangement.
- ✓ The parent(s) recognizes that there may also be a provider and Service and Support Administrators involved who may have perspectives on situations that arise. The parent(s) are able to balance all of these perspectives and assist in reaching solutions to challenges that may arise.
- ✓ The parent is aware that the tenant(s) may have provider staff who might cause damage to the home (e.g. damage appliances, floors etc.) The parent(s) will not have a contract with the providers in the home and therefore it may be difficult to get the provider to agree to pay for the damages. Insurance may be able to offset this risk.

What Does This Mean to My Family Member with a Disability?

This option makes it possible for the parent(s) to help the family member with a disability get established in a (hopefully) long term home with regular social interaction with a housemate(s). While this option is easier to set up, it has the potential to leave the family member with a disability vulnerable to changes over time, which could be counter to the parent(s)'s original intent.

Changes in the needs of the family member or their housemate(s) and/or changes in the neighborhood may mean that the interests of family member with a disability could be better met in a different housing situation. Issues related to the inheritance of the property, as outlined below, may also impact the family member with a disability and their housemate(s).

Often roommates use the same provider staff. If one of the roommates wants to change providers, this can create difficulties for the other housemate(s). See Information and Resources, "[Provider Agencies and Housing](#)".

What Does this Mean to My Estate?

The property remains in the name of the parent(s) during their lifetime. The home will transfer to heirs through probate or Transfer on Death Affidavit in Ohio. If there is no Will, it will be divided equally among the property owner's heirs, otherwise it will transfer according to the Will or Transfer on Death Affidavit.

Where Do I Get More Information?

- ✓ In Hamilton County, DD Services can provide assistance with questions related to rent and benefits. Contact Di Sunderman at 513-559-6739 or dianne.sunderman@hamiltondds.org.
- ✓ Housing Opportunities Made Equal (HOME) offers information, education, and advocacy related to fair tenant/landlord issues: Phone: (513) 721-4663 <http://homecincy.org/>





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	Pros	Cons
Extent of Control	<ul style="list-style-type: none"> ✓ The parent(s) maintains control of the home as long as they are living. ✓ The family member with a disability can change service providers without changing residence. 	<ul style="list-style-type: none"> ✓ This option offers little long-term control after the death of the parent(s). The goals of the parent(s) may be achieved more effectively through some of the other ownership structures outlined in the Housing Guide, such as establishing an LLC, placing the home in a trust, etc. ✓ Even if the parent(s) has already purchased a second property, it is still possible to make use of some of the other options, such as placing the home in an LLC or in a trust. ✓ There may be a number of parties with a vested interest :the parent(s), their family member with a disability, housemate(s), parents/guardians of housemate(s), and providers. This can create conditions ripe for conflict. ✓ The level of control will be limited by the protection of the rights of the housemate(s) under their rental agreement(s). ✓ Housemate(s) often utilize the same service provider. If one roommate wants to switch providers, this may cause concerns, conflicts or issues for the other housemate(s).
Effects on Public Benefits	Use of funds from a STABLE account is not considered to be income and will not impact benefits, regardless of the source of these funds.	<ul style="list-style-type: none"> ✓ Parent(s) must charge fair market rent or the difference between fair market rent and rent paid is considered to be income, which will negatively impact the SSI benefit amount for any disabled tenant, including their family member. ✓ Generally, a family member with a disability will not be able to use a voucher to make rent payments to a parent(s), unless granted a ‘reasonable accommodation’ by the local housing authority.
Longevity	The home can remain available to the family member with a disability after the death of the parent(s), provided the heir(s) honor the informal understanding for this arrangement.	<ul style="list-style-type: none"> ✓ When the parent(s) owner(s) pass away, the house can be lost with a liability from a personal injury (i.e. car accident) or the divorce of an heir, jeopardizing the long-term housing of the family member with a disability. ✓ The heir(s) that inherits the property has no legal obligation to ensure that the home is maintained for the benefit of the family member with a disability.
Property Management Responsibility	Heirs can maintain the property as long as they are able; and/or can contract for property management support if they can afford to do so.	<ul style="list-style-type: none"> ✓ The parent(s) may not be able to manage the property themselves as they get older. ✓ The parent(s) may need to invest considerable time in working out arrangements with the housemate and/or the housemates’ parent(s)/guardians regarding household expenditures (such as utilities) and household repairs. ✓ The parent(s) may incur costs related to hiring/contracting with an entity to manage the property. ✓ The parent(s) will need to address the question of who will assume property management responsibilities after their death or inability to manage the property directly.



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Financial Considerations	<ul style="list-style-type: none"> ✓ Easy to set up without legal assistance. ✓ The house may be deeded to future generations, providing an asset to an heir once the family member with a disability no longer needs it. 	<ul style="list-style-type: none"> ✓ Requires access to funds to make capital improvements over time. ✓ Rental property purchases generally require a 20% down payment. ✓ The parent(s) may be personally liable for the activities at the location. For instance, the parent(s) would be personally responsible for ensuring that the water bill for the site is paid in full. ✓ The parent(s) is subject to potential liability claims for personal injury that occurs on the property.
Long Term Flexibility	<p>Since the parent(s) is the owner, it may be easier to make accessibility and other adaptations to the property as the needs of the family member with a disability change over time. While they are still living, if the circumstances changes, the parent(s) can sell the home and make other housing arrangements.</p>	<p>Changes in the neighborhood or in the needs of the family member with a disability may make the home an undesirable place to live.</p>
Tax Issue		<ul style="list-style-type: none"> ✓ Parent(s) can no longer declare family member with a disability as a dependent. ✓ Parent(s) must declare rent as income.