

BUYING OR SELLING A HOUSE?  
DON'T FORGET THESE IMPORTANT STEPS!

Housing sales are on the rise all over Metro Detroit and Dearborn Heights is certainly part of this new, robust market. If you are preparing your house for sale as a seller or visiting homes as a buyer, there are important steps that you need to take with the City's Assessor's Office.

**Are you selling a home?**

If the home you are selling is your primary residence, you must remove the Principal Residence Exemption (PRE) when the house is sold. If you are working with a title company, you may be given the form you need (Request to Rescind Principal Residence Exemption) at the closing. If not, please contact the Assessor's Office. If the home is being transferred using a Quit Claim Deed and you are not using a title company, the Rescind form removing the PRE must still be filed.

Michigan law does not allow a homeowner to have an exemption on two homes. You must both own and occupy the home as your primary residence to qualify for the PRE and you cannot occupy two homes as your primary residence. If you purchase another home and move before your Dearborn Heights home is sold, you must remove the PRE at that time. The city where your new house is located may require a copy of the stamped Dearborn Heights Rescind form before allowing you to apply for a PRE on your new home.

Also, as a seller, please remember to contact the City's Building Department to determine what inspections are required. You can also contact the City's Water Department to find out what you need to do to get a final water meter reading.

**Are you buying a home?**

When buying a home there are forms required by state law which you must file with the Assessor's Office. If you go through a closing with a title company, those forms are included, by law, in your closing papers. If you transfer property with a Quit Claim Deed, perhaps you will not automatically receive these forms; however, you must contact the Assessor's Office or the forms can also be obtained online at the Michigan Department of Treasury website.

1. Property Transfer Affidavit. This form gives all the details of the sale including the parties involved, date of transfer, purchase price, etc. **This must be filed no later than 45 calendar days from the date the Deed or land contract is signed.** If the form is late, a fine of up to \$200 for residential property and up to \$1,000 for commercial property (each parcel) will apply. This fine is mandated by State law. If the sale was made by land contract, a copy of the complete land contract must also be included with the Property Transfer Affidavit you file.

2. Principal Residence Exemption (PRE). If the property you bought will be your primary residence, you are entitled to receive a break on your property taxes if you both own and occupy the home. You can only have one PRE. If you have a PRE on another home in Michigan or another state, you will be denied unless you provide official documentation showing that the PRE has been removed on the other home.

The forms noted above are required for **any** transfer of ownership whether it is a sale by deed (including quit claim deeds), land contract, or court order, such as probate or divorce proceedings or any other means. Transfers of ownership which are not technically a “sale”, such as a transfer between family members, transfer to a trust or life estate, the addition or deletion of a spouse, etc. require the filing of the Property Transfer Affidavit.

It is a good idea to contact the Assessor’s Office (313-791-3460) before the transfer if you have any questions at all.

