Preserving Generational Wealth by Untangling Titles for Heirs Property Homeowners

Homeownership helps build wealth in communities across the United States, particularly for historically marginalized populations. Homeownership offers a variety of benefits, including a safety net to weather economic shocks, a pathway to access higher education, and the security of housing stability. Black, Latino, and Hispanic homeowners tend to rely on their home equity for wealth building more than White homeowners; housing equity represents roughly 60 percent of Black, Latino, and Hispanic homeowners’ total net worth, as opposed to 43 percent of White homeowners’ total net worth.1 Homeowners experiencing heirs property cases face heightened housing instability, which threatens generational wealth building, particularly for Black, Latino, Hispanic, and low-income households.

What is heirs property?

Heirs property, also referred to as a “tangled title,” arises most often when a homeowner dies without a will and several people gain rights to indivisible shares in the same home or piece of land, or when an owner has a will that equally distributes the property among multiple descendants.2 Heirs property is one of the most unstable and insecure forms of real property ownership, greatly increasing the risk of property loss due to land speculation, property partition sales, or tax default.3 Heirs property can undermine the creation and preservation of generational wealth and is disproportionately found in Black, Latino, Hispanic, low-income, and low-wealth families in both rural and urban communities. It largely stems from oversights in estate planning, insufficient access to affordable legal services, and a knowledge gap in how property transfers from generation to generation.4,5

Without intervention, heirs property can multiply across generations and become harder to track and address.

By the numbers

- $41 billion: the total estimated market value for heirs property parcels6
- 440,000: the estimated number of heirs property parcels across the U.S.7
Cross-sector strategies to address heirs property

As part of JPMorgan Chase’s strategy to address heirs property challenges, the firm is supporting efforts to help resolve existing and prevent future cases of heirs property, including through affordable legal services and policy development. Policymakers, business partners, nonprofit organizations, and philanthropy have several opportunities to leverage these and other opportunities for greater impact.

Expand affordable legal services that support heirs property owners

Increasing awareness of heirs property and expanding access to affordable legal services are crucial to resolving existing and preventing future heirs property cases. The costs associated with probating a will, clearing a title, and securing the related legal requirements of estate planning are significant, particularly for families with low levels of wealth.8 Further, attorneys may benefit from access to best practices when supporting households through this type of fractioned ownership.

JPMorgan Chase provided a $500,000 grant to Howard University in 2023 to support the development of an Estate Planning and Heirs Property Legal Clinic through the Howard University School of Law. The grant will provide support to help train the next generation of attorneys in this area of the law and also support District of Columbia residents with free legal estate planning services through student-led clinics, including clinics hosted at a local Chase Community Center.

Prioritize ethical research and data usage to protect heirs property owners

Identifying where heirs property cases exist is necessary to accurately measure the impacts on household and community wealth, as well as target resources to communities most in need of investment. In Maryland, for example, the Department of Housing and Community Development partnered with the Maryland Volunteer Lawyers Service to create the My Home, My Deed, My Legacy program, which allows residents to search the state’s Real Property online database to determine whether or not a home is recognized as heirs property, while also offering educational materials and legal aid.9

Identifying heirs properties is challenging due to the lack of uniformity in which counties across the U.S. track property titles, coupled with the informal nature of intergenerational property transfers conducted without proper documentation.10 Rigorous processes are needed to ensure the ethical use of heirs property data and research, particularly when public information about the location of vulnerable heirs property cases risks bad actors exploiting the information to acquire the property at below market value.11

Policy recommendations to prevent heirs property cases

Ensure families have access to estate planning options: State and local policymakers can help prevent additional heirs property cases from being created by mitigating the risk of families leaving homes without a proper estate plan in place. To facilitate family access to estate planning services, the City of Philadelphia established the Probate Deferment Initiative to waive and defer probate fees for low-income households and individuals, and approximately 30 states have also enacted transfer-on-death deeds, which offer a simpler alternative to transferring a deed that allows the beneficiaries to avoid the costly probate process.12,13

Embed heirs property rights in homeownership programs: Lawmakers can embed estate and succession planning services as a preservation strategy in broader affordable housing programs to ensure future generations avoid the negative consequences of heirs property. Recently, for example, the U.S. Department of the Treasury allowed states to utilize the Homeowner Assistance Fund (HAF) to help clear the title on a home so that applicants would be eligible for HAF mortgage assistance.14

The U.S. Department of Housing and Urban Development (HUD) administers several housing programs that are ripe for greater emphasis on preventative heirs property practices as a homeownership preservation strategy. For example:

- The Community Development Block Grant (CDBG) Program is an annual grant program deployed via formula to states, cities, and counties to support housing and economic opportunities, with a primary focus on low- and moderate-income people.15 Localities may be able to direct CDBG funds toward legal services under the public services component of the program. This is a potentially valuable opportunity to fund both reparative and preventative heirs property legal services and could be strengthened if implemented as part of a local homeownership preservation strategy.

- Similarly, the HOME Investment Partnerships Program (HOME Program) provides formula grants to states and localities that can be used for affordable rental and homeownership activities, such as acquiring and rehabilitating homes or providing direct rental assistance.16 Lawmakers could consider aligning HOME Program funds with access to relevant legal services, particularly when the program is used for homeownership-related activities.
Policy recommendations to resolve existing heirs property cases

Facilitate wealth creation by protecting and expanding heirs’ rights

The Uniform Partition of Heirs Property Act (UPHPA) is a critical step that local policymakers can enact to protect the rights of heirs property owners. While the UPHPA does not prevent a partition if an outside actor acquires an interest in the property, the Act does provide important safeguards to protect heirs from potential predatory practices.

The Uniform Partition Of Heirs Property Act

The Uniform Partition of Heirs Property Act provides critical protections for families at risk of losing their home from an external third party purchasing a co-owner’s share of a property and subsequently forcing a partition sale.23 Due process protections provided in the UPHPA include: notice of sale, right to an appraisal, right of first refusal, and other provisions that can protect heirs homeowners against predatory acts often used by bad actors. To date, 23 jurisdictions have enacted the UPHPA, and JPMorgan Chase has actively supported adoption of the UPHPA in California, Utah, Washington, Philadelphia, and the District of Columbia.24

State and local policymakers can take additional steps to preserve homeownership and facilitate wealth generation in heirs property cases where an owner aims to retain ownership and unlock equity in order to make needed home repairs or address tax collections and related expenses. For example, in Texas heirs property owners are now permitted to apply for property tax savings offered through the state’s homestead exemption program.25 Eligible heirs property owners may save thousands of dollars in annual property taxes, which helps reduce housing cost burdens and support homeowner stability. Similarly, heirs property owners in Virginia are able to utilize a payment plan to pay off delinquent property taxes, and municipal tax officials can delay tax delinquency sales for heirs property owners by up to 60 months.26

Many home repair and property tax reduction programs require a clear title, which excludes heirs property owners from qualifying for important government aid. Policymakers at all levels of government can support alternative pathways to verify ownership outside of formal deeds—such as utility bills or receipts for property improvements—and reducing the percentage ownership threshold that is required for a homeowner to qualify for public assistance. Alternative pathways to verify ownership will also be important as policymakers implement Inflation Reduction Act programs so that heirs property owners can access resources for home retrofits and climate upgrades. The Casa Verde Weatherization Program in San Antonio, Texas, is available to income-qualified homeowners and renters, which facilitates access to free home weatherization services at a physical property rather than based on ownership status.27

Strengthen the federal Heirs Property Relending Program (HPRP)

The HPRP is an important federal program for heirs property owners with agricultural land.28 Congress authorized HPRP as a pilot in the 2018 Farm Bill, and the U.S. Department of Agriculture (USDA) administers the program through eligible intermediaries who re-lend to individuals with documented heirs property cases. Borrowers can use the loan to resolve title issues, including financing the consolidation of property interests. Improvements to the HPRP can strengthen the program’s reach beyond farmland and ensure borrowers have more repayment options to meet the terms of the loan.

- Permanently reauthorize the HPRP. Congress authorized the HPRP as a pilot relending program in 2018 and intermediary lenders were chosen in 2022. Making the HPRP a permanent program with stable baseline funding could provide important clarity and certainty to both intermediary lenders and potential borrowers, as well as help stakeholders develop capacity and expertise to strengthen the program.

- Embed loan forgiveness options. The HPRP is structured as a loan product that requires intermediary re-lenders pay back USDA at 1 percent interest and the borrower pay back the intermediary lender at an additional spread. While there are benefits to recycling the HPRP funds multiple times, many borrowers have limited repayment options. Modifying the program to be structured as a forgivable loan or designating a portion of overall program funds to be implemented as a grant could help deliver more impact for economically vulnerable households.

- Expand geographic eligibility. The HPRP is targeted to farmland and farm-adjacent land where many—but not all—heirs property cases are located. In fact, research suggests that urban heirs property has overlap with historic redlining practices.29 This necessitates a broader approach that expands the HPRP to all documented heirs property cases regardless of geography. Lawmakers could consider establishing an interagency partnership between USDA and another federal agency, such as the U.S. Department of the Treasury (USDT), to expand capacity for nationwide implementation.

- Build Community Development Financial Institution (CDFI) industry capacity to serve as HPRP re-lenders. As of 2023, only three CDFIs are designated as HPRP intermediary lenders yet there are over 1,300 certified CDFIs nationwide.30 A partnership between USDA and the USDT’s CDFI Fund could help accelerate CDFI industry knowledge, awareness, and capacity to engage on heirs property related issues.
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