

House Raffle Winners: 4 Ideas for Claiming the Grand Prize

Winning a house raffle can be an unwelcome surprise if you haven't considered the federal and state taxes, closing costs, and state and local property taxes that come with winning. With grand prizes valued from \$390,000 to \$2,000,000, it may be that you can't afford to win that house raffle.

But winning may not have to be a worry. The 2008 Westerville House Raffle website offers great ideas for house raffle winners. Here's a summary?

After getting a relatively small home equity mortgage to pay the income and property taxes:

1. Move into the house, or
2. Rent the house to someone else, or
3. Sell the house with a price below market value, or
4. Sell your winning ticket to someone else!

I would add to be sure:

- You can afford the mortgage you would use to pay the taxes
- The house is in an area zoned for rentals
- The average rent in that area more than enough to cover the mortgage, insurance, maintenance, etc.
- The house is likely to sell in this troubled house market
- You check the raffle rules, and state and local laws, to make sure you can transfer ownership of the ticket to someone else

As always, these are just suggestions and ideas on how to handle winning a house raffle. Check with legal and tax professionals for advice on what is best for your specific situation.