

# What Happens When You Inherit a House?

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Discovering that you inherited a house is generally good news. A loved one remembered you with fondness and wanted to make your life a little better. But inheritances can be complicated and you may be faced with some legal and practical decisions about this property.

## Consider the Will

Before taking possession of a property, you'll need to **determine whether the deceased had a valid will**. Ask a professional if it meets the legal standards? The last thing you want is to get caught up in a costly legal fight over a challenge to your inheritance.

If the will is valid and the property exceeds \$100,000, the terms of the deceased wishes and distribution process will likely go through probate court. The court will review any debts and deduct them from the estate. This may affect the value of the property. It's important that you do not get financially involved with the property until a probate court makes its decisions.

## Assuming Mortgage Payments

[Inherited properties](#) with remaining mortgages come with strings attached. Lenders will require that you make the payments going forward. They will also ask you to qualify for the loan based on your credit score and assets. Should the bank agree, this debt will positively or negatively affect your credit rating and ability to borrow.

Along with the mortgage, you will be required to take on insurance and tax payments as well. If you get overextended and cannot afford these bills, the bank could foreclose on the property and your inheritance could be sold to pay the note. Before starting down this road, it's important to get professional advice.

## Renting as a Solution

Renting an inherited property can be more complicated than it seems. Some mortgages are designated for primary residence only and renting may result in refinancing at a higher lending rate. Local and state safety regulations may kick in when making the change from a primary residence to rental property. There could also be additional building code compliance expenses involved.

If you rent, you will be responsible paying taxes on any profit you make. This could alter your tax bracket. Renters also come with some risk. What happens if [tenants do not pay the rent](#), rack up utility bills, or what if you need to hire an attorney to begin eviction proceedings?

It's important to assess the strength of your financial portfolio in the event that a bad tenant trips you up.

## Sell the Home

Keep in mind that just because you inherited the home that doesn't mean you are responsible for the mortgage. ***Before assuming those payments, have your eyes open to the fact that you'll be taking on all the home's expenses and risks. For most people, a home is their largest expense and carrying the burden of two properties doesn't make good financial sense.***

The loved one who left you the property wanted you to receive a benefit, not a yolk on across your shoulders. If selling the property makes your life better, then that is in keeping with the spirit of the gift.

If you are concerned that the costs are too high or you're already feeling the strain of an inherited property, ***I Buy Utah Homes can purchase the inherited home from you quickly and pay you in cash.*** We have experience working with people in your situation and can make a reasonable and acceptable offer that will allow you to receive the benefit that your loved one intended.