

## **TRUST FUNDING INSTRUCTIONS**

Only by executing the trust documents and funding (transferring assets to) your trust will you insured an orderly disposition of your estate. You will not avoid probate unless and until the trust is given legal title to your property. This procedure is simply called "funding the trust. As will be shown in the following paragraphs, the process of funding your trust is really quite simple. Once you have completely funded your Revocable Living Trust, you no longer own your property in your own name, but in the name of your trust. As a result , all interested parties now or in the future can easily identify the trust as the lawful owner of the property, whether real property or personal property , whether transferred as your separate property or community property (belonging to both spouses equally) . Of course, you own the trust, so you still maintain control over all of your assets, just as you do now.

### **Transferring Property into Trust**

Transferring your property into the trust can be accomplished as easily as expressing your intent to do so. TrustLock will provide you with Real Property Deeds that you need to sign in the presence of a notary public. Thereafter, you will have to file the Real Estate Deed(s) with the County Recorder or similar County Agency responsible for the recordation of real estate deeds.

You can express your intent to transfer your assets to your trust by merely listing the property you wish to be included in your trust on your Inventory of Assets found in your trust package.

You record the Real Property Deed in the county where the property is located. The county government may charge a modest filing fee, but a transfer of your real property to your Revocable Living Trust will not trigger reappraisal of your property for property tax purposes or incur any taxation as a result.

### **• STOCK CERTIFICATES**

Changing the title on your stock certificates is all that is required to transfer stock to your Revocable Living Trust. If your stock is held by a brokerage firm, simply contact the firm to have your brokerage account changed to reflect your status as trustee of your Revocable Living Trust. Your stockbroker will want to see a copy of your trust indenture to make sure the trust is allowed to own and trade securities, etc., and that you are authorized , as Trustee, to make such investment decisions. Title to each individual certificate does not need to be changed when you have a brokerage account.

### **• AUTOMOBILES**

Automobiles, recreational vehicles, classic cars, pleasure boats, etc. of sufficient value should be transferred to the trust. In some states this may require getting a tax exempt certificate (as in California) to avoid a sales tax at the Department of Motor Vehicles. A transfer to a revocable trust is not a taxable sale, as you are retaining legal control and beneficial use of the property transferred. However, when a new vehicle is purchased , simply list your Revocable Living Trust as the vehicle owner.

### **• PERSONAL PROPERTY ITEMS**

Much of what you own does not have any title or certificate of ownership registered with a government agency. Household belongings, jewelry, and other such property can be transferred to your trust by merely listing it on your Personal Property Attachment to your Trust.

### **• BANK AND SAVINGS ACCOUNTS**

A letter or visit to your bank, saving bank, or saving and loan may include a request to have your accounts changed to reflect your revocable trust ownership. Banks are familiar with trusts; however, be sure to inform

your bank that your trust is revocable with yourself or yourselves as trustee(s).

- MORTGAGES NOTES, DEEDS OF TRUST

For transferring any of the above into trust , it is best to consult with local professionals (attorneys, real estate brokers, escrow officers) who can give you advice appropriate for your state. Usually such a transfer is a simple procedure, but take the time and counsel to do it right. It can sometimes get complicated "undoing" what was done wrong .

- PARTNERSHIPS & INVESTMENT CONTRACTS

The verbiage in Partnership Agreements and Investment Contracts should be read very carefully before a transfer into trust is actually made. It is always wise to consult with all General Partners and those in legal control of the investment. Here the advice of an attorney or a qualified professional advisor is highly recommended.

#### ABSTRACT OF TRUST

- Your Revocable Living Trust includes a copy of your abstract of trust, which is a shortened version of your trust , listing the trustee powers and showing the signature page. Rather than making a complete copy of your Revocable Living Trust for banks, brokerage firms, and other agencies which require a copy of your trust , the "abstract of trust " usually will suffice.

- JOINT TENANCY

Since your Revocable Living Trust will avoid probate, there is no longer any need to hold property in joint tenancy .

- Tax returns

Also, remember that transferring your property to a Revocable Living Trust of which you are trustee and beneficiary is not a taxable event. Neither does it trigger any reappraisals for property taxes in states which require taxes to be paid on property.

#### SUMMARY

- Execute the Trust: The first thing you need to do is sign the trust as well as all the related documents. Please have a notary acknowledge your signature on the documents as indicated .

- Fund the Trust: Transfer assets, i.e., real property , bank accounts, stocks and personal property to the trust. An unfunded trust will not avoid probate! Use grant deeds or quitclaim deeds to transfer real property to trust , and record the deeds with the county. List all transferred property, including your personal property, on your Inventory of Assets.

- Obtain Assistance: The above information is designed to assist you in funding your Revocable Living Trust. Writing letters to banks, brokerage firms, and recording deeds to insure

- your trust is fully funded is important. Each institution you deal with will have personnel familiar with Revocable Living Trusts, and they will assist you in the process. Of course, you may handle these tasks personally, or you may seek the help of professionals.

Whether you seek the help of an attorney or a friend, or simply fund your own trust, it is important to keep in mind that only by properly funding your Revocable Living Trust will you save your estate from probate and limit federal estate Tax exposure. You must, therefore, take the initiative to transfer your assets to your trust - assets

you own now, and those you may acquire in the future.