WHO ARE THE PARTIES TO A TRUST?
A typical Family Trust is made up of a Married Couple who are the Trustees, and their children, the Beneficiaries. Those who establish the trust and transfer their property into it are known as Trustors or Settlors. The settlor’s usually appoint themselves as Trustees and they are the primary beneficiaries during their lifetime. After their passing, their children and grandchildren usually become the primary beneficiaries if the trust is to survive, or the beneficiaries receive distributions directly from the trust if it is to close out.

WHAT IS A LIVING TRUST?
The Living Trust, also known as an Inter-Vivos Trust, is created during the lifetime of the Settlors (as opposed to being created by their Wills after death) and usually terminates after they die and the body of the Trust is distributed to their beneficiaries.

CAN A TRUST HOLD TITLE TO REAL PROPERTY?
No. The Trustee holds the property on behalf of the Trust.

WHAT TAXES CAN I AVOID BY PUTTING MY PROPERTY IN A TRUST?
Married persons can usually exempt a significant part of their assets from taxation and may postpone taxes after the first of them to die passes. Before you take any action, you should check with your attorney or accountant.

CAN I HOMESTEAD PROPERTY WHICH IS HELD IN A TRUST?
Yes, if the property otherwise qualifies.

CAN A TRUSTEE BORROW MONEY AGAINST THE PROPERTY?
A Trustee can take any action permitted by the terms of the Trust, and the typical Trust Agreement does give the Trustee the authority to borrow and encumber real property. However, not all lenders will lend on a property held in trust, so check with your lender first.

CAN SOMEONE ELSE HOLD TITLE FOR ME “IN TRUST?”
Some people who do not wish their names to show as titleholders make private arrangements with a third party Trustee. Such an arrangement may be illegal, and is always inadvisable because the Trustee of record is the only one who is empowered to convey, or borrow against, the property. A Title Insurer cannot protect you from a Trustee who is not acting in accordance with your wishes despite the existence of a private agreement you have with the Trustee.

Contact your Ticor Title Representative for more info.