

11 Steps to Fund Your Living Trust Reference Guide

By transferring your assets into your living trust, you bring them under the legal protection of this powerful estate planning tool. Once the trust is fully funded, the assets it holds will be safeguarded from probate in most cases, ensuring a smoother transition for your beneficiaries.



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Transfer Real Estate

1

Transfer via Deed

Transfer real property to trust via deed.

2

Obtain Permissions

If the property is subject to a mortgage, or a homeowners association, you may need to obtain the permission of lender and the association.

3

Consider Tax Implications

Caution: a real property transfer normally results in a transfer tax and other fees. For a personal residence, some states give a homestead exemption and some limit the annual amount of property tax increase.

You want to be sure that a transfer won't incur substantial fees or eliminate such homestead or tax increase protections.



Transfer Titled Personal Property

If personal property has a title document (i.e. cars, trucks, motorcycles, RVs, boats etc.), it will be necessary to obtain a new title showing the living trust as the owner.

Find out if transferring ownership will result in substantial taxes or fees.



Vehicles

Cars, trucks, and motorcycles require new title documents showing the trust as owner.



Watercraft

Boats and other watercraft need proper title transfer to your living trust.



Recreational Vehicles

RVs and other recreational vehicles must have titles reissued in the trust's name.

Fund Untitled Personal Property

Personal property without a title document (i.e. furniture, books, jewelry, tools, collectibles etc.) can be titled in your trust.

It is important to adequately describe the property so that there is no issue about its identity.

Furniture & Household Items Items

Include detailed descriptions of valuable furniture and household items when transferring to your trust.

Jewelry & Collectibles

Document unique characteristics, appraisals, and photos of jewelry and collectible items.

Tools & Equipment

List make, model, and serial numbers when available for tools and equipment.

Transfer Bank Accounts

Your bank can help you structure how your checking, savings and money market accounts can be titled in your trust.

It may require closing the account and opening a new account in the name of the trust.



Contact Your Bank

Speak with a bank representative about transferring accounts to your trust.

Complete Required Forms

Fill out all necessary paperwork to retitle accounts in the name of your trust.

Establish New Accounts

If required, close existing accounts and open new ones titled in the trust's name.

Fund Securities

Your broker can advise you how to retitle a brokerage account or get stock and bond certificates reissued (typically a complex process).

A nonqualified annuity can be retitled, or the trust can be made a beneficiary.

Brokerage Accounts

Work with your financial advisor to retitle investment accounts in the name of your trust.

Stock Certificates

The process of reissuing physical stock certificates can be complex and time-consuming.

Bond Certificates

Similar to stocks, bond certificates will need to be reissued in the trust's name.

Nonqualified Annuities

These can either be retitled or have the trust designated as a beneficiary.

Transfer Business Interests

Interests in partnerships and LLCs, and shares in a corporation can be retitled in the name of the trust.

Check the partnership agreement, LLC operating agreement, or articles of incorporation for transfer restrictions or procedures.



Review Business Documents Documents

Examine partnership agreements, LLC operating agreements, or articles of incorporation for any transfer restrictions.



Obtain Partner/Shareholder Approval

If required, secure necessary approvals from business partners or shareholders.



Execute Transfer Documents Documents

Complete the appropriate legal documents to transfer business interests to your trust.

Change Life Insurance Beneficiaries

Policy Modification Request

POLICY NUMBER

CAUTION	555 541014	1058 03	1 000 7
TRIA PA	DISICE NRCC	1820/1000	504

INSURED PERSON DETAILS

INSURED PERSON	DOB	DOB
DECEASED INDICATOR	STATUS	INSURANCE CLASS
BENEFICIARY	BENEFICIARY	DECEASED

BENEFICIARY CHANGES

INSURANCE NUMBER	DECEASED
BENEFICIARY CHANGES	DECEASED
NOTICE OF DECEASED STATUS	DECEASED

REQUIRED SIGNATURES

CLAIMANT SIGNATURE	DATE
AGENT SIGNATURE	DATE

7/007 10/0

Your trust can be the owner and/or beneficiary of a life insurance policy.

This allows the trustee to manage the policy in the event you become mentally incapacitated.

Note: In many states, the cash value of a policy is exempt from creditors, but only if it is owned by the individual. Protection against creditors may be lost if ownership is transferred.

⊗ Important Consideration

Be aware that transferring ownership of life insurance policies to your trust may affect creditor protection in some states. Consult with your attorney before making this change.

Transfer Royalties, Copyrights, Patents, and Trademarks



Copyrights

Consult the US Copyright Office for instructions on transferring copyrights to your trust.



Patents

The USPTO can provide guidance on transferring patent ownership to your trust.



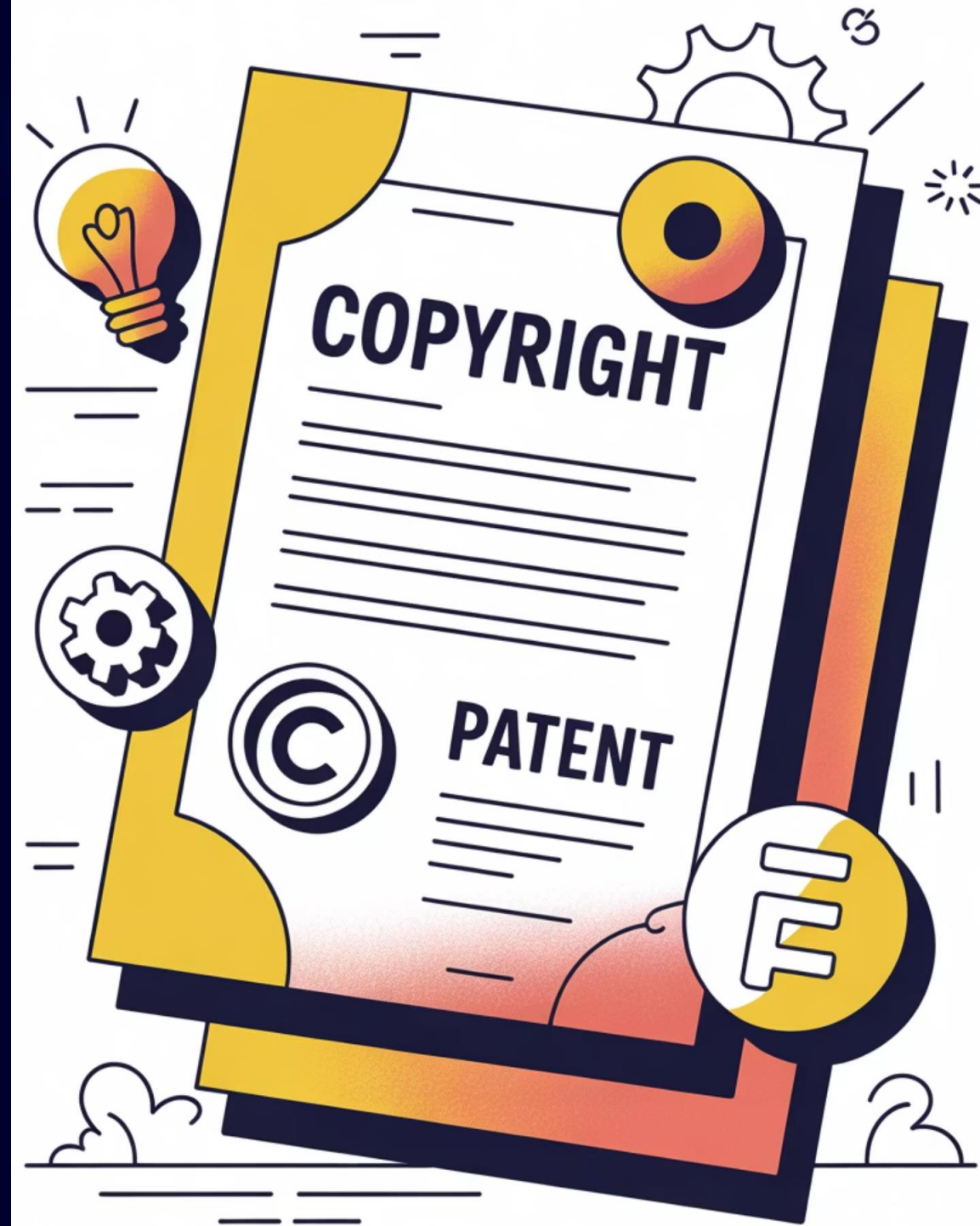
Trademarks

Contact the USPTO for specific requirements to transfer trademark rights to your trust.



Royalties

Whoever pays you royalties can advise you on what is required to transfer the interest to your trust.



Gas, Oil, and Mineral Rights

The nature of these rights vary depending on your interest.

Property Ownership

1

If the rights are part of property you own, you can use a deed to transfer them to your trust.

2

Separate Rights

If you own rights in property that you do not own or have a lease or royalty agreement, an assignment of rights document will be necessary.

Contact Payers

3

Contact whoever pays you to learn what is required to make the change.

Accounts Receivables

An assignment of rights – a legal document changing who has the right to a debt – can make your trust the recipient of payments received on loans you have made to anyone (such as an unsecured personal loan or a loan secured by a mortgage).

Unsecured Personal Loans

Create an assignment of rights document to transfer repayment rights to your trust.

Mortgage-Secured Loans

Transfer the right to receive mortgage payments to your trust through proper legal documentation.

Business Loans

Ensure business loans you've made are properly assigned to your trust for continued payment collection.

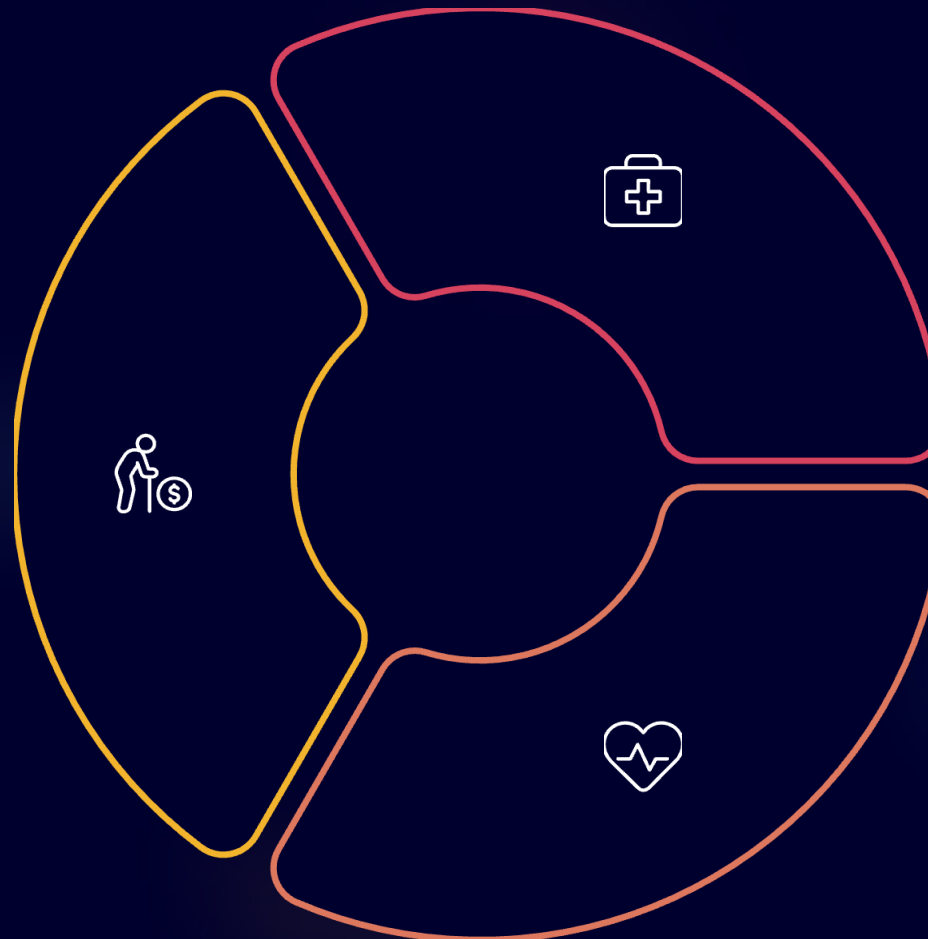
Making the Trust as Beneficiary

Some assets may not be transferred to a trust, but you may be able to make the trust the beneficiary upon your death.

These assets include:

Retirement Accounts

Do not retitle qualified retirement accounts, this will be considered a withdrawal of the funds, subjecting them to income tax and maybe penalties. Instead, change your beneficiary designation. Whether your trust should be primary or secondary beneficiary, depends upon your tax laws.



Medical Savings Accounts (MSAs)

Your trust can be designated as either the primary or secondary beneficiary of your MSA.

Health Savings Accounts (HSAs)

Similar to MSAs, your trust can be designated as either the primary or secondary beneficiary of your HSA.