

## ESCROW TIPS WHEN HANDLING THE SALE OF A HOME IN A TRUST

By Stacey Glenzer, Branch Manager – Newport Beach

Sellers who hold title in a family “Trust” do not always realize the requirements of their family trust when selling their home. Here are four examples of common questions and potential issues that can occur on a sale involving a Trust:

- What happens when the property is in a Trust and the acting trustees become incapacitated or pass away and a decision has been made to sell the home? The answer is: The appropriate documents must be obtained in order to finalize the sale with the Successor Trustees acting in their capacity. For instance, if a trustee becomes unable to act due to a hospitalization then two doctors notes are normally required in addition to the trust documents showing who the Successor is and the powers they may or may not have under that particular family trust. Furthermore, if a trustee has passed away, an Affidavit of Death of Trustee must be signed by a Successor Trustee and recorded with a certified copy of the death certificate.
- What happens if the title to a home is not held in the family trust but the trust documents state that it should have been deeded to the family trust? This becomes a rather large issue for Successor Trustees if the proper documents were not recorded and a Trustee passes away. In order to complete the sale of a residence, the Escrow Holder and Title company will require court confirmation or a court order stating that a “quiet title action” allows for the sale of the home out of the trust even though the property was never officially recorded into the trust. In most cases, this can be dealt with fairly easily if the family trust specifies the address of the real property as part of the family trust and the court approval is received.
- When a Trustee or a Successor Trustee is signing anything related to the sale on behalf of the trust then they should be signing their name exactly as it’s stated in the family trust along with their title. For example, “John Doe, as Successor Trustee” or “Mary Smith, as Trustee”.
- *Some* family trusts include the authorization for a trustee to give someone Power of Attorney. Most often this is *not the case* with a family trust and there won’t be a provision for use of a power of attorney. The Escrow Holder and Title Company will do a full review of the family trust and amendments only to find out that a Power of Attorney cannot be used.



### Testimonials

“Client for life, is our mantra. Therefore when we recommend or refer an affiliate such as Julie Wood of The Escrow Firm to our clients we need to know that the care, passion, integrity and attention to detail that our clients expect is mirrored in their escrow experience. Julie without a doubt exceeds our expectations in each and every transaction we do together.”

- Gwyn Rice and Lisa Stennes, Prudential California Realty

I’ve purchased a number of properties, residential and commercial, over the years. Christopher Dale at Pickford Escrow set a new standard and a higher benchmark which other escrow companies will now be judged - but why would I use any one else after such a great experience with Christopher? He was so organized, responsive, efficient and capable at managing multiple parties to see this four day escrow was completed with all i’s dotted and all t’s crossed and on time. It was amazing he accomplished it, an absolute pleasure to work with him, and albeit I know it was a big effort on his part he made it seem effortless.

- Maureen H., Rancho Santa Margarita, CA

“Kelly (Pacheco), Thank you to you and your staff for being the consummate professionals during our recent purchase. You made things much easier for us with your availability and immediate responses. It was great working with such professionals, thank you again!”

- Julie T. & T. Nguyen

# Pickford Escrow App - UPDATE!

It's been five months since we officially launched the first of it's kind – Pickford Escrow App that allows you to ESTIMATE the net proceeds on the sale of a home for a client.

We have over 600 downloads on the Apple App Store and the Android Market.

Please visit the Apple App Store or Android Market and on your smart phone or tablet and update the App to get out our newest features.

One of new feature is in the email you can automatically send...

PICKFORD ESCROW SELLER ESTIMATED NET PROCEEDS		
DATE: October 4, 2011		
CLOSING DATE: November 3, 2011		
	DEBITS	CREDITS
<b>FINANCIAL CONSIDERATION</b>		
Total Consideration:		2,000,000
<b>PAYOFF CHARGES</b>		
Principal Balance:	70,000	
Interest on Principal Balance from 10/1/2011 to 11/6/2011:	483.29	
Forwarding Fee:	60	
Reconveyance Fee:	450	
<b>PRORATIONS/ADJUSTMENTS</b>		
Taxes at \$9000/semi-annually:		-2,909.59
HOA at \$2000/monthly from 11/3/2011 to 12/1/2011:		1,866.67
<b>COMMISSION CHARGES</b>		
Listing Broker Commission:	60,000	
Selling Broker Commission:	60,000	
Flat Fee:	250	
<b>OTHER DEBITS/CREDITS</b>		
Natural Hazard Disclosure Report:	125	
Termite Inspection/Repairs	250	
Home Warranty	550	
<b>HOA/MANAGEMENT COMPANY CHARGES</b>		
Current Months Dues:	2,000	
Document/Transfer Fees:	1,000	

## The Pickford Escrow App



directions:

- Calculate the estimated net proceeds for a seller
- Email Estimates with One Touch
- Defines All Fees on your Estimated Net Sheet
- Easy Contact to your Pickford Escrow or The Escrow Firm