



HOW IS THE REVOCABLE TRUST FUNDED?

To fund the Revocable Trust, assets must be formally transferred to the trust. Failure to formally transfer the assets into the Revocable Trust could result in the assets being subject to probate. To accomplish this, the Grantor must transfer the assets to the legal name of the Revocable Trust, which is generally referred to as follows:

“John. M. Smith, Trustee of the John M. Smith Revocable Trust dated November 1, 2016”

The exact method of the transfer will vary depending on the nature of the assets. Accounts with financial institutions will require new documents to be signed by the Grantor and the Trustee to open a new account or re-title an account in the name of the Revocable Trust. Transfers of real estate will require the preparation of a new deed, which will need to be recorded, but, it is important to consider the impact such a transfer may have on homeowners' insurance, title insurance, and any mortgage on the property. Ownership interests in closely held business interests must be formally assigned to the Revocable Trust, taking care to follow the requirements found within an operating agreement or similar document.