



Some Basic Questions About Trusts – Part 2

In earlier articles we covered some of the fundamentals of trusts and fiduciary services available to members through Alpena Alcona Area Credit Union and Credit Union Trust. This article is part 2 of a series based on questions from our members. Some of the information has been discussed before. However, this series is designed to broaden the understanding of trusts and their benefits to members – so we'll address the questions we're asked and repeat some earlier information in other contexts.

If I set up a Living Trust, is it common to be my own trustee?

Yes. It is very common for a grantor to also be the trustee. In many cases the same person is the beneficiary as well. One of the benefits of a living trust is that grantors also serving as trustee can retain control over their own property for the rest of their lives. As a safeguard, a grantor serving as trustee must designate a successor trustee (for example Credit Union Trust) who will take over management of the trust after the grantor's passing.

If I create a Living Trust, do I still have to worry about probate?

Any property that is not transferred to a trust will still be subject to probate. It is best to transfer as much property as possible into a living trust including bank accounts, investment accounts, real estate, various holdings, and other business interests. A pour will is used to transfer the probate assets into the trust.

Are there other ways to avoid probate?

Indeed, there are other ways to avoid the expense and delay of probate. By holding property jointly (with rights of survivorship) with a spouse or partner, the surviving spouse or partner assumes full title to joint property on a grantor's death.

Additionally, in the case of life insurance policies and retirement accounts, assets may be directly transferred without probate by naming specific beneficiaries in the policies or accounts. Probate can also be avoided by a grantor making a gift of property before death so long as such

Will beneficiaries have instant access to my assets and property after my death?

No, not "instant" access - there is still a process to follow. The trustee must first ensure that all legally enforceable debts and obligations of the grantor are resolved. Only then can the trustees make a final distribution of the trust assets and property. This process and timing can vary as each trust is unique.

Where can members go for more information?

Credit Union Trust was established by Alpena Alcona Area Credit Union to serve the needs of our members by providing trust and other related services at the critical times in life when they're needed. Credit Union Trust has an experienced team of professionals that are here to help with all such trust and family planning needs for today and future generations. If you would like to learn more or speak to a Alpena Alcona Area Credit Union-Credit Union Trust advisor, please contact us at Alpena Alcona Area Credit Union or call Credit Union Trust at (877)-730-6109.