

Tom Mullooly: Hey, is putting your home into a trust really the right way to go?

Tom Mullooly: Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly. And this is episode number 261. Thanks for tuning in. So is putting your home or your assets into a trust, is that really the right way to go? We've had clients ask us over the years if they should be putting their assets into a trust. Well, understand that we're not lawyers, we're financial planners and investment advisors. So we don't write the actual trusts, but we work with attorneys who do write these trusts. And this is a topic that comes up in our discussions with clients frequently.

Tom Mullooly: So let me walk you through a hypothetical example. Let's say Mrs. Rose, she's 70 years old. She's a widow. She's got four adult children. Mrs. Rose knows that the cost of going into a nursing home can be sky high. She wants to stay in her home where she lives now. She's lived there for a long time, but she wants to get that asset out of her name. So what do you do? Is it wise to put her home today into her kids' names while she's still living there?

Tom Mullooly: Well, if Mrs. Rose transfers the home directly into her kids' names, there's a few things that Mrs. Rose really ought to know. First, if one of her adult children winds up getting sued, and say they were in a car accident, or they had some kind of lawsuit and they wound up getting sued. Part of her home is now part of their assets and they could be attached.

Secondly, if one of the adult children winds up getting divorced, you could have a soon to be ex-spouse trying to grab a bigger share of the assets. Now, I don't know if they're going to be successful with that, but it becomes a real nuisance, a real pain in the butt to have to worry about things like that.

Tom Mullooly: Also, what if you hate to think about stuff like this, but you need to think about it. What if one of your adult children passes away? Should their share of your home, should that go to the surviving spouse? Should it go to Mrs. Rose's grandkids or maybe the shares should go three ways now, instead of four ways?

These are kind of things that we talk about. Again, we're not lawyers, so we don't offer legal advice, but we talk about these topics all the time when we're putting together our plans for our clients. So if you're in a situation like this, let's talk by all means. We're happy to just talk about the basics. If you do need a legal professional, we'll be happy to give you some ideas on that as well. That's the message for episode 261. Thanks again for tuning in.