



Estate Planning & Living Trust Funding Checklist

Brokerage retitling, Certificate of Trust essentials, and beneficiary designations.

☐ Step 1: Certificate of Trust & Tax ID Setup

Sign your Certificate of Trust / Certification of Trust affidavit. For revocable trusts, grantor Social Security Number serves as the Tax ID (no separate EIN required while grantor lives).

☐ Step 2: Taxable Brokerage Account Retitling

Retitle individual and joint taxable brokerage accounts (Fidelity, Schwab, Vanguard) into trust name. Securities transfer IN-KIND with zero sales, zero tax events, and preserved cost basis.

☐ Step 3: Retirement Beneficiary Designation (Do NOT Retitle IRAs)

NEVER transfer IRA or 401(k) account ownership to a trust during life (triggers complete immediate taxable liquidation). Name individuals as primary, trust as contingent if appropriate.

☐ Step 4: Bank Checking & Real Estate Deed Recording

Execute a Quitclaim Deed or Warranty Deed for real property into trust name. Retitle savings accounts or designate Pay-on-Death (POD) / Transfer-on-Death (TOD) naming trust.

CUSTODIAN BROKERAGE RETITLING SPECIFICATIONS

Fidelity Investments

Accounts & Trade > Account Features > Change Ownership. Retitle existing account online. No Medallion stamp.

Charles Schwab

Open Schwab Living Trust brokerage account online. Initiate internal in-kind position transfer slip.

Vanguard

Submit Vanguard Trust Registration form with Certificate of Trust. Request in-kind transfer of index shares.

E*TRADE

Submit online Trust Account Application with Certificate of Trust. Execute internal book transfer.

CRITICAL ASSET FUNDING RULES & COMMON PROBATE PITFALLS

* The 'Empty Trust' Trap (Unfunded Trust = Probate Court):

A revocable living trust only controls assets officially titled in the name of the trust. If assets remain in your personal individual name without TOD/POD beneficiaries, they must pass through state probate court regardless of having signed trust documents.

* Zero Tax Impact on In-Kind Brokerage Transfers:

Transferring stocks, ETFs, and mutual funds from an individual account to your revocable trust does NOT trigger capital gains taxes. The IRS treats the trust as a grantor pass-through entity; cost basis and acquisition dates remain identical.

* Garn-St Germain Federal Mortgage Protection:

Federal law (12 U.S.C. Section 1701j-3) prohibits mortgage lenders from exercising due-on-sale clauses when residential property (fewer than 5 units) is transferred into the borrower's own revocable living trust where the borrower remains a beneficiary.

* Certificate of Trust vs. Full Trust Privacy:

Never provide full trust agreements showing asset distribution or beneficiary shares to banks or brokers. Provide only a 2-3 page Certificate of Trust confirming trustee powers, revocation authority, and taxpayer identification.

* Automated Payday Routing Maintenance:

After retitling your brokerage account, verify that all recurring bank transfers (ACH), direct deposits, and automatic dividend reinvestment (DRIP) remain active under the new trust registration.

