



## 5 Biggest Family Trust Mistakes

---

- 1.** A big mistake is failure to fund the trust. Most people who make revocable living trusts do so to avoid probate at death. And that makes sense: probate can be costly and time consuming. But unfortunately, many people make a trust and still end up in probate court. What did they do wrong? They failed to fund the trust.
- 2.** Too often people forget to update—a potential giant costly mistake. Any legal document you make, a trust, a will, a power of attorney, should be reviewed and periodically updated. Things change, people change, the laws change. For example, if you named your mom as a beneficiary, or as an alternate trustee, and she's now very ill, you may want to name someone else.
- 3.** Naming the wrong trustee can be a very big mistake. Most people who create trusts serve as their own trustees. That's usually fine, but you'll need an alternate, perhaps two or three in case you can't serve in the future. And your situation may create the need to consider if a Corporate Trustee is your best option. Be sure to get expert legal advice from a lawyer on this to avoid another potential and costly mistake.
- 4.** A very big mistake is failing to decide on alternative beneficiaries in the event your initial beneficiaries pass away before you. If your beneficiaries are children and one were to pass away before you, will that child's inheritance pass to your other children, the grandchildren or to the surviving spouse? Planning ahead on this potential issue and other associated issues will reduce the chance for a mistaken payout to the wrong beneficiary.
- 5.** Putting a family member on the title to your house or other real estate holdings is a very big mistake made all too often. Never put a family member on the title to your house in order to avoid probate. Creditors of the family member might be able to take your house or other real estate holdings from you if on the title. There are much better options – discuss them with a lawyer.

**Set up a consultation with one of our experienced attorneys today.  
Contact Bellah Perez, PLLC at 602-252-9937.**