

Danielle Redmond Streed
Redmond & Redmond, PLC
480 W. Lovell, Kalamazoo, MI 49007
Phone: 269-276-0055/Toll Free: 888-573-0114
Email: dstreed@ameritech.net

YOUR ESTATE MATTERS

Redmond & Redmond News

I am pleased to announce that 2002 was an eventful year. I would like to thank all of you for making this year of transition to the family firm a successful one. We are excited to announce that on January 1, 2003, we hired a new attorney. Jeff Dufon is a former Kalamazoo County prosecutor and he has practiced in Kalamazoo since 1991. Jeff's focus will be criminal defense, drunk driving, felony and misdemeanor related matters. If Todd, Jeff or myself can help you or your family and friends in any way, please give us a call. **Remember, we are also happy to refer you to an attorney that we rely on for other legal services we do not handle.**

Tax Laws...

What is in store for 2003?

As of now, the tax law changes enacted in 2001, are still in effect. The estate tax (death credit) for 2003 will continue to be \$1 million dollars per person. Should the laws change significantly over the next year, you will be notified. However, you are always welcome to call my office or email me with any tax law questions you have.

Refinancing Real Estate

With the recent changes in the interest rate, several of our clients are refinancing for a lower rate. However, for those clients that have deeded their real estate into their trust, they are finding that the title office and/or mortgage company is requiring additional information about the trust before they can refinance. There are a few situations that we have encountered this year and I wanted to let you know about these in case you are thinking about refinancing now or in the future. The title office or mortgage company may require the first and last page of the trust and the administrative section of the trust or they may accept a copy of the Certificate of Trust Existence and Authority. This lets them know that the trust does exist and it identifies for them the person in charge of signing any closing papers (the trustee). Some title offices and mortgage companies are telling our clients that in order to refinance, the real estate must be deeded out of the trust and back into the client's individual name. If this is the case, please contact us and we will assist you with this transaction. It is not difficult. It is merely a legal formality.

Social Security Number

VS

Tax ID Number

Many times we receive a call from a client or financial advisor seeking the tax identification number for the client's trust. If you have a revocable living trust, you do not have a tax identification number. For a revocable living trust, you continue to use your social security number.

How much information should I give out about my trust?

If you recall, setting up a living trust is a two part process. Setting up the actual trust document and retitling the assets into the name of the trust. For example, all of your investment accounts, bank accounts, CDs, individually held stock and savings bonds should be in the name of your trust. When you are changing the account to reflect the name of the trust, some financial institutions will ask you for proof that the trust exists. In fact, many times they will ask you for a complete copy of the trust. They may tell you that it is their company policy to receive and review a complete copy of the trust before they can change or retitle the account into the name of the trust. It is my opinion that the financial institution does not need to know all the terms of your trust. All they need to know is the name and date of the trust, the name of the current trustee (sometimes the successor trustee name) and the powers and duties of the trustee. The Certificate of Trust Existence and Authority is a document you have in your file that gives the financial institution that information without disclosing personal aspects of your trust. If you are working with a financial institution and they demand more than the Certificate of Trust, please contact my office and we will be happy to follow up with the financial institution for you.

DIVORCE, REMARRIAGE & SEPARATION

Sometimes we have to discuss sensitive topics that we would prefer to ignore. This would be one of those topics. As we move into the 21st century, we realize that the traditional June and Ward Cleaver family is no longer the traditional family. In fact, we find that we are dealing with more and more clients who are facing such issues as living together, remarriage and divorce. My role in discussing these topics with you is to help you protect yourself, your assets or assets you inherit. This is especially true if you live with someone, remarry or divorce. For those individuals that

anticipate getting married and want to protect the assets they have acquired prior to marriage or assets or inheritance they acquire during the marriage, you need to consider a prenuptial agreement. A prenuptial agreement provides that the assets that you bring into the marriage or assets you acquire during the marriage remain your separate property no matter what happens (death or divorce). Without a prenuptial agreement, there is a risk of losing these assets in a divorce.

For those clients that are already married and did not set up a prenuptial agreement, there are ways to maximize the protection on the money you inherit during the marriage. In talking with several divorce attorneys, they have told me that the best way to protect your inheritance is to keep the money in a separate account. Do not deposit the money into a joint account with your spouse. Should a divorce occur, it will be easier to trace this money back as inheritance as opposed to money earned during the marriage.

If you are living with someone, you may need to discuss such issues as a life estate in the home. If you are not on the deed, you may find yourself out on the street at the homeowner's death. If the homeowner you live with has not made provision for you to live in the home if death occurs, the family may be evicting you before you have even had time to grieve.

Unfortunately there are so many things that need to be discussed on each of these topics and there is just not enough time or space in this newsletter to discuss it all. My main goal is to alert you to the fact that there are ways to protect your assets, if you know about them ahead of time. What I need you to know is that we would be happy to sit down and address any of these issues with you or any family member facing these issues.

Presentations

Over the years I have presented to several senior groups, business groups, unions and non-profit organizations on the topic of estate planning exclusively. As a result of a recent conference I attended on elder abuse, I have prepared a new presentation. This presentation includes not only estate planning information, but it also addresses a new concern of "financial elder abuse". If you are interested in having me present this new topic to your organization, your church, your employees, etc, please feel free to contact me. My presentations are free of charge and I love an opportunity to educate and protect a group of people.

Change in Circumstances?

This is my annual reminder to all my clients on how important it is to keep me up to date on any changes that have occurred since your estate planning documents were signed. For example, are you facing issues such as: medicaid or nursing home care, a change in address, the purchase of more property or a payed off land contract, a change in job, a new financial advisor, new accounts, remarriage or divorce. Keeping me up to date on this information helps me keep your file current. The more current your file is, the more assistance that I can provide to you and your successor Trustees and administrators in the future.

REDMOND & REDMOND WEBSITE

The time has come for us to join the 21st century. We anticipate having our web site up and running by spring. The web site will feature each attorney, allow you to read articles we have written, advise you on upcoming seminars and provide an easy way for you to contact our office with any questions you may have. The web site address is *Redmondoffice.com*. Listen to my show or call us here at the office for more information. We look forward to serving you in every way possible.

