

Revocable Living Trusts

An Inter Vivos (Living) Trust is a trust agreement that an individual creates during their lifetime, that becomes effective during their lifetime and is revocable, can be changed or canceled by its creators at any time and for any reason during the individual's lifetime. The borrower on the loan must be the grantor, the beneficiary and the trustee of the trust in which title is held. The borrower, however, must qualify as an individual for the loan and the purchase agreement must be signed as an individual.

FLCBank does not accept VA loans closing in a trust.

A Fictitious or Blind Trust is one established to either protect the identity of a borrower as is more common with actors, judges, etc. or is created for the benefit of an individual without that individual having trustee authority over the trust. FLCBank does not accept Fictitious or Blind Trusts for all products offered.

If a loan is closing in a Trust, we are required to obtain either a complete copy of the full trust with an attorney's opinion letter or a Trust Certification if the state permits. Below is a description of the required documentation.

Trust agreement and attorney's opinion letter

Complete copy of the trust documents certified by the borrower to be accurate, or a copy of the abstract or summary for the jurisdictions that require a lender to review and rely on an abstract or summary of trust documents instead of the trust agreements and;

Attorney's Opinion Letter from the borrower's attorney verifying all of the following

1. The trust was created and valid under applicable law,
2. The trust is revocable,
3. The borrower is the grantor of the trust and the beneficiary of the trust,
4. The trust assets may be used as collateral for the loan (if applicable)
5. The trustee is:
 - Duly qualified under applicable law to serve as trustee,
 - Is the borrower,
 - Is the grantor,
 - Is fully authorized under the trust documents and applicable law to pledge or otherwise encumber the trust assets

Trust Certification (permitted for all allowed products in AL, AK, AZ, AR, CA, CO, DE, DC, ID, FL, GA, IA, ID, IL, IN, KS, KY, ME, MA, MD, MI, MN, MO, MS, MT, ND, NE, NV, NH, NJ, NM, NC, OH, OR, PA, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY)

A fully executed Trust Certification prepared by the Title/Escrow Company and executed by the Trustee(s) must contain the following information:

1. The complete legal name of the Trust – *the name of the trust will not contain verbiage "...as trustee of the..." Only the actual trust name should be reflected and not the vesting information. The trust name must match the name as represented on the title commitment. Any discrepancies must be investigated to determine which document is correct.*
2. The date the trust was created – *this is the date in which the trustees executed the original trust agreement and should also agree with the title commitment.*
3. The grantor(s) – *(also known as settlor(s) or trustor(s)); should only contain the name of the individuals who created the trust for their own benefit. Vesting information should not be included in this section.*
4. The trustee(s) – *should only contain the name of the trustee, those individuals who have the authority to act and/or sign on behalf of the trust.*

5. The powers of the trustee(s) – *the certification must state that the trustee(s) are authorized to pledge or otherwise encumber the trust assets.*
6. The revocability – *The certification must state that the trust is revocable.*
7. The vesting requirements – *The certification must also state, based on the terms of the trust agreement, how title must be held. This verbiage must match the information provided in the title commitment whether it's the current vesting or the deed requirement.*