

## How to Keep Inherited Property

by Rick Harmon

Your probate and trust clients will look up to you to guide them through this next year, especially if a major recession develops.

Your ideas and suggestions weigh heavily, and this very simple guidebook can make your job easier, particularly for clients facing time-sensitive financial decisions.

Most of our borrower clients represent families with modest homes, not the mega-wealthy who pay for consultants. Our typical borrower's challenges are related to finding ways of keeping their inherited property in the family.

As you can imagine, when property values soften or drop, buyers demand concessions, and banks tighten policies while raising their rates. Fortunately, interest rates on our fiduciary mortgages have remained stable...for now.

The enclosed "Little Red Book" was written for your probate clients in mind, using simple language so that your average client can read and understand the basics.

YES - This a VERY simple guidebook!

Many administrators facing major loss like a family home are in some form of tension, anxiety, or overwhelming trauma.

Typically, they're inheriting a modest home in the suburbs, not a mega-mansion.

It will not quench the thirst for sophisticated information. It's another chance got you to be a hero and for your estate client to take control of their inherited property.

If you need an additional print copy, please give me a quick call or email me as I may have a few extra copies that we can send you as a courtesy.

You can share digital copies with clients by downloading here: **InheritedPropertyGuide.com.**

Your client can use the untapped equity in their inherited property to pay off a mortgage in foreclosure (and protect your legal fees, too!).

**For those in-charge and the heirs and beneficiaries who wish to keep property in the family, here's the really great thing about retaining the property and borrowing rather than selling...**

**The estate or irrevocable trust can get an equity-based loan on a property (up to a total of half of current value) without personal liability.**

**This means the PR can extract funds from the equity and then distribute house to others WITHOUT recourse or impacting their personal credit...**

**The CloseProbate™ Fiduciary Mortgage is a Distributable, Non-Recourse Secured Debt**

These are the key points to discuss with the client:

1. The loan must be made to the estate entity, never the individual
2. Fiduciary's personal info (SSN, etc.) is never used for qualification
3. Distributable (may remain after transfer)

*"If it were not for deadlines, little would ever get done"*

4. Non-recourse (collateral equity driven)
5. Board of Equalization Compliant (R & T Code, non-consumer, fiduciary-only)

Unlike a conventional bank loan or hard money lender, the trust or estate PR's obligation ceases upon distribution, termination, or discharge of duties! This means is that a PR can extract liquidity and then distribute real estate subject to the mortgage without fear of the payment habits of another... even if a contentious heir or beneficiary!

The mortgage remains on the collateral property as an encumbrance (Deed of Trust) and the "distributee" inherits both assets and responsibility to pay the debt.

### What to Do Next ...

People do die and leave unintended messes. There are often twists and turns in distribution that brew into something worse. Call me at **1-800-779-2552** early in your case. If you wish to refer your client, they can watch videos at: **CloseProbate.com/YouTube** or go directly to **CloseProbate.com** prior to calling so they're better prepared with their questions.

*Rick*



Rick Harmon

**"Property can be distributed and kept in the family just for now... or forever. CloseProbate™ Fiduciary Mortgages are equity-based and non-recourse"**

Call me directly to discuss these (and other) property issues:

- Exigent & Urgent
- Creditors, Claims & Back Taxes
- Title or Dispute Workouts
- Elders or Relocation Challenges
- Property Preservation/Remediation Loans

**(800) 779-2552**



## Here's your **CloseProbate™** Network Letter

### **RICK'S RANTS:**

The national weather service uses a Waffle House Index as a reliable indicator of hurricane intensity. I'm told that if they're closed, that neighborhood is being hit pretty hard.

One early indicator that I use to sense a change in the **real** economy are ads, promotions and high activity in the pawnshop and payday loan business. I include the cash advance to heirs in this category, too.

However, that's not our market.

Nor are the high net worth, 'trust fund babies.' Try a private bank.

However, if your clients are living in the suburbs or inner-city neighborhoods, we may be a good fit.

They feel the pressure of daily news headlines about inflation, rising bank rates, and the higher costs of living personally.

Within months, expect these newscast messages to change to foreclosures and mounting financial pressures on families who are still recovering from impacts of pandemic.

Like you, I resist any thought of a return to the Great Recession and would hope this downturn is short, less than a year.

And that would mean your estate clients with pressing issues need to prioritize their plans, focusing on the threats, barriers, and obstacles at the moment. They need to understand that there are consequences for missing deadlines.

What's preventing you from closing probate or distributing trust property today?

*Are title or foreclosure issues making your client's life more difficult?*

**Call me directly and I'll make every attempt to guide you with any "Insider Tips."**

**We make loans to the people in charge of cash-poor estates and trusts in California.**

**Contact us when your client requires liquidity without selling or you wish to "strategize" financial and other solutions.**

**(800) 779-2552**



**Be the Hero™**

**Here are (4) ways I can help you **CloseProbate™****

- 1. WATCH:** "How-to" videos - CloseProbate.com/YouTube
- 2. READ:** Weekly "Rick's Rants" eLetter - RickHarmon.com
- 3. CALL:** Guidance & Resources (800) 779-2552
- 4. BORROW:** CloseProbate.com