

# How to distribute equity without drama or bruhaha: Property, cash or paper?

If the trust that you (or another attorney) drafted was “simple and straightforward” and Mom and Dad were clear on who they wanted to inherit their property, everyone should be getting along like kittens, right?

In reality, after death distribution isn’t so easy when the asset is real estate. One beneficiary is anxious to get their money, the other wants the property - yet they’re clueless on how to put it all together. This is re-allocation of equity isn’t easy for the inexperienced.

As you know, it’s a straightforward process when there are only two beneficiaries: First, the estate or the trust gets a loan. Then, after paying all the expenses, you distribute cash to one beneficiary and real estate to the other. Yes, I can already hear you say, “It’s not that simple Rick!”. Humans (being complicated animals) are experts at making your job harder, as if you’re...

## Juggling A Thousand Emotional Knives!

No cooperation? In-fighting? Occasionally, it’s necessary to distribute the property both to the

first beneficiary and the second beneficiary (or to multiple beneficiaries if there’s more than two) and let them work it out later. (It may even be possible for one distributee to sell their fractional interest later!)

True, if one does buy out the other later, property tax reassessment will be an issue. However, it’ll be their issue.

Another way to reallocate equity is through seller financing: One party accepts a note (secured by a deed of trust on the property), the other party accepts the property. This is typically good when someone prefers to receive monthly installments as opposed to a lump sum. They can always sell the note later. However, experience says if you distribute the property to three, four, five or more beneficiaries (or heirs), you’ll guarantee someone more legal work later. Despite this, you can...

## End Hairy Distribution Fights Before They Happen

In a recent matter, we funded a CloseProbate™ fiduciary mortgage so that the administrator could close one estate and then distribute the cash to facilitate

*“Ever notice that when the stuff hits the fan, it tends to be distributed unevenly?”*

*~ Comedian Steve Smith aka Red Green*

administration of another estate, in a “cascading flow-through” action. This expedited both the distribution and termination of the oldest estate. In another case, the trustee structured a loan to a trust so that the cost of trust administration and another distribution beneficiary could be made. In both cases, it required minimal involvement by all parties to complete the respective loans and make the later distributions. So, if you’re getting this...

## Here’s A Reality You Can’t Ignore...

People do die and leave unintended messes. There are often twist and turns in distribution that balloon into something worse. That’s why should ought to call me at 1-800-779-2552 early in your case. If you wish to refer your client, we urge you to direct the client to visit: CloseProbate.com prior to calling so they’re better prepared with their questions and watch our small library of very informative videos. Talk soon.




**“Property can be distributed and kept in the family just for now... or forever. CloseProbate<sup>SM</sup> Fiduciary Mortgages are equity-based and non-recourse”**

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

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- Title or Dispute Workouts
- Elders or Relocation Challenges
- Buyouts & Parent > Child Transfers

**(800) 779-2552**

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Here are (3) ways I can help you **CloseProbate<sup>SM</sup>**

1. Borrow on your probate or trust real estate
2. [TheGordianKnotShow.com](http://TheGordianKnotShow.com) (podcast)
3. **CALL RICK** - Get guidance and resources

[CloseProbate.com](http://CloseProbate.com) | [Rharmon@closeprobate.com](mailto:Rharmon@closeprobate.com)

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