

*L.T.S.C. INFO SHEET* is a short summary of a legal issue of interest to some of our clients. Keep in mind that the law changes and is subject to different interpretations. See a lawyer if you need specific legal advice.

## How to Buy a Short Sale Property into Trust

One problem clients have with buying short sale properties is that they don't want to set up a trust until they know which property they are buying, but they need to have a name of the trust to make the offer, because sellers usually don't allow the contract to be assigned to someone else after acceptance.

What you can do is make the offer in the name of the trust we are going to set up, and sign the contract on behalf of it. As soon as it is accepted we can set up the trust.

To choose the name, our company prefers to use a trust number based on the property address because all of our systems are set up that way and it makes all of our work easier when the system is uniform. When a client requires a special name for a trust we charge \$50 extra because of the extra work involved.

What we can do is give you a system to use to create a trust number to use on your offers that will work with our system. Here are some examples:

### Address

1234 Schiller Avenue, Deland, FL  
555 North Boulevard, Unit 1000, Sanibel, FL  
605 Happy Acres Way, Rotunda, FL

### Trust Number

Trust No. 1234SA  
Trust No. 555-1000  
Trust No. 605HAW

If you use a numbering system like this when making your offers, we can use it to set up your trust as soon as your offer is accepted and the seller will not be surprised by a new name appearing on the deed.

There are different ways to word your purchase offer. The best way is to just make the Buyer the trust, "Trust No. 1234SD" and then on the signature line put "Trust No. 1234SD, By: *[your signature]* Beneficiary."

If they say they need the trustee's name, you can put on the first page of the contract like this "BUYER: Trust No. 1234SD, Land Trust Service Corp., as Trustee" and then still sign the signature page as buyer. To completely cover all the bases you can put a clause in the miscellaneous section that says "Property to be purchased in land trust to be set up upon acceptance of contract." But this might make some lenders nervous.

Once your offer is accepted, you can send us your Land Trust Setup Instruction Sheet and Land Trust Data Sheet and note on it the trust number that you used in the purchase offer.

### Bottom line:

If you make an offer using a trust number based on the property address it will work in our system and the seller shouldn't have a problem with the trustee taking title at closing.