

How to Sell or Assign Your Beneficial Interest in Your Land Trust

The procedure to sell or transfer your beneficial interest in your land trust is as follows:

1. Complete the Assignment of Beneficial Interest Instruction Sheet on the following page and have Seller(s) and Buyer(s) both sign. Mail with check or fax or email with credit card info to Land Trust Service Corp. (LTSC). We will prepare and send you an Assignment of Beneficial Interest form and Florida Department of Revenue forms DR-228 and DR-430.

2. Buyer and Seller will sign the Assignment of Beneficial Interest and return to LTSC. We will sign our acceptance, return copies to both parties and file two copies of Form 56 with the IRS (one that the seller is off the trust and one that the buyer is on). Form DR-228 should be sent to the Florida Department of Revenue with your check for the documentary stamp tax, if any. For some transactions form DR-430 should be sent to the property appraiser

If the transfer is to your own LLC, corporation or another trust there may not be any documentary stamp tax due, depending on how you structure it. Check with your tax advisor. If it will be to a family member as a gift there will probably not be tax due unless there is a mortgage on the property.

If the transaction will be financed with a third party mortgage, we will need the contact information for the mortgage company or title company (*including their email address*). We will need to sign the mortgage after obtaining a Direction to Trustee from the Buyer. There will be an extra fee if we need to sign any extra documents.

If the Seller wishes to finance the transaction by taking a mortgage back into another trust, contact us about setting up a mortgage trust with Federal Funding Group, LLC.

If you wish to finance the transaction with a pledge of the beneficial interest with a chattel mortgage and UCC-1, you should have these documents prepared by an attorney, or you can use the ones in our book, *Land Trusts in Florida*.

Our fee for completing an assignment of beneficial interest transaction including preparing the ABI form, the Form DR-228, and DR-430, and two Form 56s, is \$250. (If there are additional closing documents to sign, there will be additional fees.) If you are assigning the interest to your own LLC or to your spouse the fee is \$125. This does not include a DR-228 or Dr-430, which may or may not be needed. Check with your tax advisor.

Land Trust Service Corporation
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Lake Wales, FL 33859
Phone: 863-678-0011
Fax: 863-678-0155
Email: mark@floridalandtrust.com
www.floridalandtrust.com

Assignment of Beneficial Interest Instruction Sheet

To: Land Trust Service Corporation

From: _____ Phone: _____

Email: _____ Fax: _____

I/we wish to sell/transfer my/our beneficial interest in Trust No. _____ dated _____, 20____ as follows:

_____ % of my/our interest is being sold

Buyer(s) names(s): _____

Buyer's mailing address: _____

Buyer(s) Social Security Number(s) or EIN: _____

Buyer's email: _____ Buyer's phone: _____

Buyer(s) successor(s) in the event of death: _____

Sales price: \$ _____

- Payment will be: All cash
- Assignment with no payment
- \$ _____ in cash and balance financed by a mortgage to: _____
- \$ _____ in cash and balance financed by a Collateral Assignment, UCC-1 and chattel mortgage to: _____

Effective date of sale _____, 202__

Florida documentary stamp tax will be paid by Buyer Seller

(Land Trust Service Corporation will provide FDR reporting form DR-228.)

Fee for preparation of Assignment of Beneficial Interest and IRS and FDR reporting forms is \$250. (If you are assigning to your own LLC or spouse the fee is \$125.) If there are additional documents provided by a closing agent, there will be an additional fee to review and sign those.

The undersigned certify that this transaction is not made for any illegal purpose, that Buyer(s) is/are U. S. resident(s) for tax purposes, that Buyer(s) and Seller(s) will pay any taxes due on the transaction, and that Land Trust Service Corporation will be held harmless from any liability in connection with this transfer. Payment or card charge is nonrefundable after work has begun.

Seller(s): _____

Buyer(s): _____

Note: The assignment of the trust interest is not complete until both parties and the trustee sign the ABI form that we will prepare and send you when we receive this!

Payment:

Check enclosed.

Charge to my credit or debit card: _____ Exp: ____/____

Billing address _____ Zip: _____

Card security code _____

Signature _____

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