

REVOCABLE TRUST CHECKLIST

We must have the entire trust prior to review

Lender _____

Trust Name _____

Person(s) signing documents: _____

*Property is ____ 1-4 SFD Owner Occupied ____ 2nd Home ____ Investment

POA being used? ____ yes ____ no

Eligibility criteria for the trust

____ The trust must be established by a written document during the lifetime of the individual establishing the trust, to be effective during his or her lifetime.

____ The trust must be one in which the individual establishing the trust has reserved to himself or herself the right to revoke the trust during his or her lifetime.

____ The primary beneficiary of the trust must be the individual establishing the trust. If the trust is established jointly by more than one individual, there may be more than one primary beneficiary – as long as the income or assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage and that individual will occupy the security property and sign the mortgage instruments.

____ The trust document must name one or more trustees to hold legal title to, and manage, the property that has been placed in the trust. The trustees must include either the individual establishing the trust (or at least one of the individuals, if there are two or more) or an institutional trustee that customarily performs trust functions in (and is authorized to act as trustee under the laws of) the relevant state.

____ The trustee(s) must have the power to mortgage the security property for the purpose of securing a loan to the party (or parties) who are the “borrower(s)” under the mortgage or deed of trust note.

Eligibility criteria for the Mortgage (Lender’s responsibility)

____ The security property may be a one-family principal residence, second home, or investment property;

____ Title to the security property may be vested solely in the trustee(s) of the inter vivos revocable trust, jointly in the trustee(s) of the inter vivos revocable trust and in the name(s) of the individual borrower(s), or in the trustee(s) of more than one inter vivos revocable trust;

____ The title insurance policy must ensure full title protection to us and must state that title to the security property is vested in the trustee(s) of the inter vivos revocable trust. It must not list any exceptions with respect to the trustee(s) holding title to the security property or to the trust; and

____ The mortgage must be underwritten as if the individual establishing the trust (or at least one of the individuals, if there are two or more) were the borrower (or a co-borrower, if there are additional individuals whose income or assets will be used to qualify for the mortgage).

Reviewer

Date

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