

# ATTORNEY AT LAW

*Ernest B. Fenton*

REAL ESTATE & BUSINESS ATTORNEY

## NEWS LETTER JUNE 2010

### UNDERSTANDING LAND TRUSTS

By: The Law Office of Ernest B. Fenton

Land Trusts are an inexpensive method for handling the ownership of real estate. It is an arrangement by which the recorded title to the real estate is held by a trustee, but all the rights and conveniences of ownership are exercised by the beneficiary whose interest is not disclosed.

This method of owning real estate can eliminate many of the difficulties that otherwise may be encountered in acquiring, owning, selling or transferring real estate.

The beneficiary of a land trust changes his or her interest in the property from real estate (title to property) to personal property (ownership of the beneficial interest). Even though the beneficiary retains complete management and control over the property itself, he or she is not burdened with many of the legal characteristics of real estate when dealing with the property.

Since the beneficial interest is considered to be personal property, it is treated in much the same manner as a car, bank account, or other tangible Property. Consequently, the beneficial interest can be sold, pledged or assigned in a simpler fashion than a conveyance of realty.

### WHAT ARE THE BENEFITS OF LAND TRUSTS?

- Succession and Probate Avoidance
- Owner Protection
- Ease of Conveyance
- Privacy of Ownership
- Disposing of Part Interest

### KEY FACTS ABOUT LAND TRUSTS

Anyone that is capable of entering into a contract may establish a land trust- an individual, a group of individuals such as a partnership, corporation, or limited liability company; or two or more private individuals who desire to purchase and own the real estate as a joint venture.

Under a land trust agreement, the beneficiary retains complete control of the real estate in the same manner as if the recorded title were in his or her name. The beneficiary may terminate the trust whenever desired and may add additional property to the trust at any time.

The trustee executes deeds and mortgages, and deals with the property only when directed in writing by the beneficiary.

When title to real estate is held in a land trust, the interest of the beneficiary, under the terms of the trust agreement, is personal property, he or she may transfer it by assigning that interest without the formality of executing and acknowledging a deed.

### FOR MORE INFORMATION ABOUT LAND TRUST, PLEASE CONTACT:

THE LAW OFFICE OF ERNEST B. FENTON  
18110 S. Dixie Highway, Suite 1S • Homewood, IL 60430  
(708) 991-7268 Business • (708) 991-7943 Facsimile  
[attorneyfenton@yahoo.com](mailto:attorneyfenton@yahoo.com)

