Words matter

It's important to learn, understand real estate terminology

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Q: I read one of your recent articles about the woman who has a trust issue. I agree with the advice given with one small exception, and it may because I misinterpreted the following: The writer says she lives in Broward County, Fla., and owns a duplex ("listed in my revocable trust") to be inherited by her son.

My question is: What does "listed in my trust" mean? Shouldn't the property be "titled" in the trust's name and not merely "listed in the trust"? Maybe the trust is the owner, but it seemed unclear.

A: Thanks for your email. When we got that email, we assumed (perhaps wrongly) that "listed in my revocable trust" meant that the property had been titled in the name of the trust.

That's why we answered her email the way we did.

As we've tried to stress over and over again, if you don't retitle assets into the name of your trust -- no matter what type of trust you own -- the assets don't exist as far as the trust (or trustee) is concerned. So, as a reminder, if you have a trust, you need to make sure that the assets that are supposed to be owned by the trust are actually titled in the name of the trust.

A lot of times, folks don't understand the lingo that financial services professionals use (including attorneys of all stripes) and they try to use the jargon they hear. Our guess is that someone said "retitled" and she heard "listed" or, later, when trying to recall what the attorney said, she used the word "listed."

As long as the property's title now has the name of the trust, she should be fine. If the person that wrote to us meant that the property was somehow mentioned in the trust but had never been titled in the name of the trust, it would be a big deal.

But it's a great reminder that words matter a great deal, and the wrong word can have a lifetime of consequences.