

# UNDERSTANDING PROBATE, WILLS, AND TRUSTS

## What is probate?

A court-supervised process that:

- Verifies the will's authenticity
- Pays off any outstanding bills
- Distributes the estate's assets

## What are the drawbacks?

- Probate can be long and expensive
- Probate proceedings are a matter of public record
- Property in different states requires individual probate processes, which may require multiple probate court proceedings in different states

## What is a will?

- A legal instrument
- Permits a person, the testator, to direct how his or her estate will be managed and distributed after his or her death

## Why choose a will?

- Simplicity during your lifetime
- Choice in guardians for your children
- Control over how your assets are distributed
- Typically less expensive than a trust to establish
- You anticipate a challenge to your estate and want to make your intentions clear
- You prefer not to use trusts

## What is a trust?

A legal arrangement that involves three parties:

1. The grantor of the trust
2. The trustee
3. The beneficiaries

## Why choose a trust?

- Assets are owned by the trust, not your estate
- If you should become unable to handle your affairs, a co- or successor trustee can take control
- At your death, the property passes according to the trust terms, without going through probate



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