# ESTATE PLANNING
## Is a Revocable Living Trust Right for You?

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Real property ownership can take many forms – individually, with another or multiple people, or with a trust or entity. Deciding which form of ownership is right for your situation can often boil down to your goals for your real property after your death. This article examines the general purpose and function of a revocable living trust and discusses some of the pros and cons of using a revocable living trust to own real property.

**What is a revocable living trust?**

The primary purpose of creating a revocable living trust is to avoid the costs and hassle associated with probate. A revocable living trust is a trust where the settlor, or the person who creates the trust, reserves the right to terminate the trust and recover the trust property and any undistributed income. Setting up a revocable living trust in Colorado involves creating a trust agreement, appointing a trustee, and transferring assets into the trust. The trust agreement is a legal document that outlines the terms of the trust, including the powers and duties of the trustee, and the rights of the beneficiaries. The settlor, the person creating the trust, can reserve the right to alter or amend the trust, or to withdraw principal from it, either with or without the consent of the trustee.

**What are the pros of using a revocable living trust to own real property?**

1. A properly drafted and funded revocable trust can prevent the need for a conservatorship by including the appointment of successor trustees who manage the trust property upon the settlor's incapacity;
2. A revocable trust can also help an individual avoid probate by naming a successor trustee who can control trust property after the death of the settlor; and
3. A revocable trust can own real property in multiples states, which would otherwise require multiple probate filings to successfully transfer after the death of the owner if individually owned.

**What are the cons of using a revocable living trust to own real property?**

1. In Colorado, the probate process is relatively straight forward and inexpensive, so a trust may be an unnecessary complication to an estate plan;
2. The creation, funding, and upkeep/retitling of assets into a revocable living trust can be expensive; and
3. A revocable trust does not provide protection against creditors' claims. During the settlor's lifetime, the property held in a revocable trust is subject to claims of the settlor's creditors as if the property were held by the settlor.

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