



LAND TRUST

An Illinois land trust can be an effective tool in the ownership, management and inheritance of real property within the state.

A land trust is formed when an individual signs a land agreement and deeds Illinois real estate to the Bank as trustee. The Bank holds legal title to the real estate but does not manage or take possession of the property. The Bank will sign a deed, mortgage or other legal document only with the written direction of the person designated in the trust agreement to have this power of direction.

BENEFITS OF HOLDING TITLE TO REAL ESTATE IN AN ILLINOIS LAND TRUST

Privacy

A major benefit in creating a land trust is privacy. HomeStar Bank & Financial Services Trust # ____ appears as the owner of record on all legal documents that are recorded. The customer's name is not disclosed on recordings, legal notices, transfer tax forms, etc.

Probate Avoidance

A second benefit is that the beneficiary of the trust can designate who will own the property at their death, thus avoiding probate.

Reduce Exposure to Judgments & Liens

Where several people own real estate together, one or more may encounter legal difficulties, which could result in a judgment or lien. If the real estate is held in a land trust, a judgment or lien against an individual will not impair the interest of the beneficiaries.

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YOU MAY BENEFIT FROM OPENING A LAND TRUST IF ANY OF THE FOLLOWING APPLY TO YOU

- Individuals who prefer privacy of ownership
- Multiple owners of one parcel of land
- Individuals who want to transfer title at death without probate
- Individuals with common names, who are tired of questions about judgments or liens against others
- Ownership of Illinois real estate while residing in another state

FREQUENTLY ASKED QUESTIONS

How much does a land trust cost?

HomeStar Bank & Financial Services charges a one-time set up fee of \$100 and an annual fee of \$85. There are also fees of \$35 for each instance where the trustee is asked to sign documents on behalf of the trust.

How do I pay my real estate taxes on my property after it is in a land trust?

You may choose to have your tax bill sent to the trustee to preserve your privacy. The trustee will forward the bill to you for payment at no additional cost

If I put my home in a land trust, will I still get my homestead exemption or senior citizen freeze?

Yes. You are entitled to reserve the same exemptions and benefits as you would if your property were in your name individually.

If I name someone to receive the property upon my death, do they have any access or rights to the trust now?

No. They have no right in the trust until your death. You have the right to make changes at any time. We will not share any information with them without your written permission.

I own property in another state. Can I put it into the same land trust?

No. An Illinois land trust can only hold Illinois real estate.

I have multiple properties. Do I need to have a different land trust for each?

No. A land trust can hold multiple properties. Some customers prefer to have separate land trusts by property type. For example, they may have one for their home, another for rental properties and a third for farmland. However, this is a personal preference. Other customers want to name different contingent beneficiaries and prefer to have a separate land trust for each.

