



Ways to hold title to a property

There are various ways to hold title to property, and the laws vary by state

This decision has many legal ramifications that can affect you and your heirs. Please seek legal advice before making this decision. Here are a few examples of some of the most common ways title can be held.

Sole ownership – The simplest way to hold title to a property is called sole ownership. Sole ownership means that one person alone holds title to the property. This is most often used by persons who are single, but a married person can also choose sole ownership if his or her spouse is willing to sign a document renouncing any rights to the property.

Joint tenancy with right of survivorship – Joint tenancy with right of survivorship means two or more people hold title to the property together. If one person dies, the ownership automatically defers to the remaining owner(s).

Tenancy in common – Tenancy in common allows multiple owners to each own a percentage of a property. In this form of holding title to the property, an owner can sell his or her percentage share of the property at any time. Owners also can will their share to their heirs. The property does not revert to the other owners automatically, in that instance, if one of the owners dies.

Tenancy by the entirety – Some states allow joint ownership of a property by a married couple, called tenancy by the entirety. In this type of ownership, an owner cannot make a decision about the property without the other's consent. As with joint tenancy with right of survivorship, each of the married partners has full right to the property should the other one die.

Community property – In nine states in the United States, property acquired while married is recognized as community property, with each of the partners owning half of the property. As with tenancy in common, each of the partners can will his or her half of the property to someone else, unless the community property is owned with right of survivorship.

Living trust – Property can be transferred into a living trust, which can reduce taxes on the estate in the event of the owner's death. However, there is some cost to setting up and maintaining the trust. An estate attorney can assist in establishing a trust.

Corporation or partnership – A corporation or partnership can hold title to a property. Each has different rights and arrangements that affect the title. Seek legal counsel in order to make an informed decision.

REMEMBER:

How title is vested has important legal consequences. Please consult an attorney to determine the most advantageous form of ownership for your particular situation.