

## TRANSFERS OF COOPS TO REVOCABLE TRUSTS

### STOCK CERTIFICATE & LEASE

Your original ownership documents – the stock certificate and proprietary lease – are required for the transfer.

If you have a mortgage, the bank will have them, which is fine (see below).

But if you don't have a mortgage, you may have lost the s&l over the years, as many people do.

*This is an overview of the process involved in transferring a coop apartment to a revocable trust. Each step has its own costs and potential problems. We try to stage the process in a way that enables you to opt out if you encounter a problem, without incurring further costs. Many parties are involved and there are many dots to connect. We do our best to navigate it for you as quickly and smoothly as possible, but it is not a standardized or orderly process.*

*Note that all the costs noted here are external, third-party costs; **our legal fees are separate from these costs**, and are based on time logged, so are impossible to predict.*

### LOST STOCK & LEASE

When the stock & lease are lost, the coop may require you to provide an affidavit, at a cost of about \$200.

Or it may require you to obtain title insurance, which can be \$2,000 (the cost is based on the value of the property, and a broker's valuation would be required).

This decision is entirely at the coop's discretion.

### LIEN SEARCH – \$750

A review of the public records to see what legal claims have been filed against the property. The only ones we expect to see are existing mortgages, but sometimes there are equity lines, old mortgages tax liens or contractors' claims.

### OPEN MORTGAGE OR EQUITY LINE – \$3,500

If you have an open mortgage or equity line, you can still transfer the property to your trust – there is no need for bank approval. But there is a lot of bank procedure involved, since your coop stock & lease are the collateral for the loan, and the old s&l must be retrieved by the bank and exchanged for the new s&l that the coop issues. A bank attorney is involved, with various fees that total about \$2,000. An alternative is to pay off the mortgage. Or not to transfer to trust, especially if you intend to repay the mortgage or sell the property in the next few years.

### COOP COUNSEL REVIEW – \$2,000

The coop's attorneys review your trust document. They normally produce a few standard documents for you to sign, to guarantee that you'll still be responsible for the coop payments and that no one else will live in the property.

Occasionally, the coop attorneys will write a version of the agreements that is peculiar or requires negotiation.

Sometimes they request changes to your trust, which may or may not be acceptable to you

If the inheritance provisions in the trust are complex they may hesitate to approve the transfer or may require changes or further discussion.

Any of these occurrences can add unknown amounts to their costs, or may lead you to opt out of the transfer.

### COOP CLOSING – \$1,000

At the end of the process, the coop will produce a new stock & lease, and a variety of documents must be signed in order to "close" the transfer. This entails coop administrative fees and fees to prepare and file city and state forms.

At this stage there are few things that can go wrong or trigger additional fees, but coops often impose small fees for various things, such as the use of a power of attorney for signing, if you're not available to sign in person.

Closings were always done in person before the pandemic; now they are usually done by having parties send documents to one another, which is a complex process and may take time and involve fees for Fedex or messenger deliveries.