

## The Mortgage Trust™

The Mortgage Trust™ has been designed to hold the benefits of life insurance policies that are intended to clear a mortgage debt when a death claim is made. The trust wraps itself around the benefits which become the "trust property". This means that when a death claim is made, the sum assured is paid to the trust and then controlled by the trustees for the benefit of the beneficiaries.

### The advantages of this trust are:

- Benefits can be paid to beneficiaries free of Inheritance Tax
- Benefits from policies can be paid prior to and without the granting of probate
- The funds within the trust are not affected by any challenge, or variation to the Will
- Funds can be retained within the trust for up to 80 years should the beneficiary not be in a position to receive them (for example if under the age of 18 or not mentally competent)
- Funds are held away from the beneficiaries estate. This means that a spouse can benefit from them without them falling into their estate and being subject to the spouses Inheritance Tax.

The trust is written as a Discretionary Trust. This gives a greater level of flexibility than with interest in possession or bare trusts, although beneficiaries must always fall within the categories set out within the trust. The trust wording has been settled by Counsel. By definition the trust beneficiaries are "at the discretion" of the trustees. This means the Settlor can name categories of beneficiary and thus provide much greater flexibility than with other trusts.

A number of clauses will be included within the trust deed to ensure that it can cover the vast majority of circumstances. For example an education and maintenance clause will be included to cover instances where a beneficiary is under the age of 18.

### Instructions

- Complete the Settlers, Trustees and Beneficiaries details in full. Be sure to correctly spell all names IN FULL & IN CAPITALS.
- You may have up to four trustees, but must always have at least two. You can have a professional trustee added, and this should be included within the four. In England & Wales the Settlor will automatically be the first trustee if there are any additional benefits to a life policy (e.g. Critical Illness, Terminal Illness, Accident Benefit). In this case, only up to an additional three trustees can be appointed.
- Complete details of the Trust Property.
- Have the client read and sign the instructions.
- Complete the storage standing order if storage is required.
- Countersign as the advisor.
- Please note: if application not fully completed, the application will be returned to you.

If the client is paying by credit card, please complete the credit card authority below.

Return this application, together with payment to: Wills & Trusts, 2-4 Temple Square, Aylesbury, Bucks HP20 2QD.

### CREDIT CARD PAYMENT INSTRUCTION

Visa       Mastercard (please tick)

Card number

Start date  /       End date  /       Security code    (from back of card)

Name on card

Please debit the above card with the sum of £     .

Signed ..... Date .....



## Trustees

Please note these people are whom you want to act as trustees. There must be a minimum of two and a maximum of four trustees. In England & Wales the Settlor will automatically be the first trustee, if there are additional benefits to a life policy (e.g. Critical Illness, Accident Benefit, Terminal Illness) so only up to an additional three trustees can be appointed. Beneficiaries may be trustees. The Solicitors are Bowman & Drew in England & Wales, Williams-McRae in Scotland and George Maclaine & Co. in Northern Ireland.

<b>TRUSTEE No 1</b>	Full name and address in block capitals
In England & Wales Trustee No 1 will automatically be the settlor if additional benefits included in Life Policy.	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Tick if <input type="checkbox"/> Life Assured	Telephone number <input type="text"/>
	E-mail address <input type="text"/>

<b>TRUSTEE No 2</b>	Full name and address in block capitals
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Tick if <input type="checkbox"/> Life Assured	Telephone number <input type="text"/>
	E-mail address <input type="text"/>

<b>TRUSTEE No 3</b>	Full name and address in block capitals
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Tick if <input type="checkbox"/> Life Assured	Telephone number <input type="text"/>
	E-mail address <input type="text"/>

<b>TRUSTEE No 4</b>	Full name and address in block capitals
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Tick if <input type="checkbox"/> Life Assured	Telephone number <input type="text"/>
	E-mail address <input type="text"/>

If you wish to appoint the Solicitors as a Professional Trustee please tick

Fees & Charges made by the solicitors to act as professional trustees will only be incurred following death. The fees & charges made will be inline with their normal charging structure. Full details will be sent to you directly.

**Beneficiaries/Grantees** (in Scotland): **Part (i)**

Beneficiaries under the trust are discretionary beneficiaries. The trust that will be drafted for you will be a Discretionary Trust. With a Discretionary Trust, it will be your trustees (which may include you) who decide who benefits from the trust, and when they will benefit, from those classes or named beneficiaries noted below. Please remember that Settlers cannot be beneficiaries. Trustees, provided they are not Settlers can be beneficiaries. Please tick only those boxes, that refer to the class of beneficiaries that you wish to exclude from the trust.

The following classes will be potential beneficiaries. Please tick only those classes that you are certain are to be **excluded** from the trust.

<b>FIRST SETTLOR</b>	Tick if to be excluded from trust	<b>SECOND SETTLOR</b>	Tick if to be excluded from trust
Widow/Widower of Settlor (only if not a Settlor)	<input type="checkbox"/>	Widow/Widower of Settlor (only if not a Settlor)	<input type="checkbox"/>
Civil Partner of the Settlor	<input type="checkbox"/>	Civil Partner of the Settlor	<input type="checkbox"/>
Children	<input type="checkbox"/>	Children	<input type="checkbox"/>
Grandchildren	<input type="checkbox"/>	Grandchildren	<input type="checkbox"/>
Great Grandchildren	<input type="checkbox"/>	Great Grandchildren	<input type="checkbox"/>
Other Direct Descendants	<input type="checkbox"/>	Other Direct Descendants	<input type="checkbox"/>
<b>Spouses, Civil Partner, Widow or Widower of the:</b>		<b>Spouses, Civil Partner, Widow or Widower of the:</b>	
Children	<input type="checkbox"/>	Children	<input type="checkbox"/>
Grandchildren	<input type="checkbox"/>	Grandchildren	<input type="checkbox"/>
Great Grandchildren	<input type="checkbox"/>	Great Grandchildren	<input type="checkbox"/>
Other Direct Descendants	<input type="checkbox"/>	Other Direct Descendants	<input type="checkbox"/>

If none of the above are alive at the time of your death with which classes of beneficiaries would benefit from the trust (e.g. nieces, nephews, brothers, sisters etc)?

If only one person within a class e.g. one brother, then this person must be named in full. Otherwise, the class needs to be stated as plural e.g. 'brothers'.

**EXISTING LENDERS DETAILS** - This box must be completed

Name and address of mortgage lenders


Amount of original mortgage **£**

Reference No.

## Beneficiaries/Grantees (in Scotland): Part (ii)

### Default Beneficiaries

Should your listed beneficiaries overleaf not be alive upon termination of the trust please name in full who you would like to benefit from the trust property.

If you list more than one person or group you must note the percentage share. If not it will be listed in equal shares. If you note a charity, the name, address and registered charity number must be noted.

Name	Address and Registered Number if Charity	Percentage

Note: If there is no default beneficiary named, a clause will be added giving the trustees the power to select a charity of their choice.

### Trust Property

Please list the details of all policies to be held within the trust

If joint life please specify 1<sup>st</sup> or 2<sup>nd</sup> death  
Please state any additional benefits

Provider name and address Please use separate page if required	Policy or Reference Number of Policy	Type and/or Name	If joint life please specify 1 <sup>st</sup> or 2 <sup>nd</sup> death	Please state any additional benefits

**Please note:** If policy is Joint Life First Death and the Settlor and Spouse are beneficiaries the Trust will **NOT** be IHT effective on their death but will be effective for future beneficiaries deaths. The Trust will protect from creditor claims and future remarriage divorce claims.

### Instructions

I/We hereby instruct Wills & Trusts Independent Estate Planning Ltd. to draft the relevant Trust Deed to pass the above-mentioned trust property to the nominated trustees for the benefit of the noted beneficiaries. We acknowledge that Wills & Trusts Independent Estate Planning Ltd. will instruct the Solicitors to review the drafted Trust Deed and to give a legal opinion as to the Trust Deeds effectiveness.

Print ..... Signed ..... Date .....

Print ..... Signed ..... Date .....

As the Financial Advisor to the above client I confirm that I have discussed the purpose and details of the relevant Trusts to protect the above mentioned trust property with the above client. I understand that I am responsible for the correct signing and witnessing of the Trust Deed, and agree to this being reviewed by the Solicitors. Please prepare the documentation under existing law.

Print ..... Signed ..... Date .....

## Document Storage

Your Trust will be one of your most valuable and important legal documents and so it is vital that it is kept in a safe location where the trustees can obtain it when the time comes.

Rather than storing the Trust documents at home where it can be damaged, lost or mislaid, the Trust documents should be stored in a safe and secure location. This must also protect it from third party interference.

The Solicitors are happy to store your Trust documents for a cost of only £17.00 + VAT per annum. When returning your Trust documents for storage, it will be checked in full to ensure it has been signed and witnessed correctly. You will then receive a certificate of deposit, a copy of which you should pass to your trustees.

You can release the Trust documents at any time by simply calling or writing to the solicitors, however, your trustees can only obtain the Trust documents in the event of your death.

There is no charge for the release of the Trust documents.



## Standing Order Mandate

To: The Manager   
  
 Postcode

Please make the payments detailed below and debit the following account until further notice in writing.

Name of account the be debited

Account Number  Sort Code  -  -

Signature

Date

Annual Payment Amount: £17.00 + VAT = £19.98

First payment to be made on 1st January 20 / 1st July 20

Office use only

Please Pay:

Wills & Trusts Independent Estate Planning Ltd

Account Number: 03085611

Sort Code: 30-90-38

Please quote reference (client name)