

Real Estate Vesting

WHAT IT IS, HOW IT WORKS, AND WHAT YOU NEED TO KNOW.



There's a lot to learn when buying a house. Whether it's your first condo or your third time buying a home, questions come up. One of the most common areas of confusion is vesting. Unsure about the process? We have you covered. Arm yourself with information so you can go through the purchasing process with confidence.

WHAT IS VESTING?

If two or more people will hold the title of a home together, at some point in the home-buying process you'll be asked how you want to hold, or vest, your co-ownership.

Vesting is essentially *how you hold shared ownership (or title) of a property, and dictates how ownership is transferred.*

If you're the sole owner of a property, there are generally no barriers to you acquiring the title for yourself.



WHAT TYPES OF VESTING OPTIONS ARE OUT THERE?

While specifics vary from state to state, there are a few ways you can share ownership of a property.¹

Joint tenancy with right of survivorship

Equal ownership among any number of parties, which cannot be divided

- A co-owner cannot will their ownership. In the case of death, the property is owned by the surviving owner(s).
- Right of survivorship
- Number of titles per property: 1

Tenants in common

Divided ownership among any number of parties, which may be equal or unequal parts

- No survivorship rights, the owner's portion is passed to devisees or heirs.
- Number of titles per property: 1 per owner

Community property

Married couple with equal ownership

- If one party passes, ownership transfers by will to their devisee or by succession.
- Number of titles per property: 1

Community property with rights of survivorship

Married couple with equal ownership

- Property vests to surviving spouse.
- Number of titles per property: 1

There are other ways to vest a title if you're a corporation, partnership, trustee of a trust, or LLC.² Speak with your lender about your options if this is a consideration for you or your partner.

TRANSFERSHIP OF RIGHTS UPON DEATH

Vesting determines how a property is owned, but it also determines how the property transfers ownership upon the owner's death. It's complicated and can vary, but here are some things to help with the process.

Survivorship rights are determined by the type of vesting in the shared property. This means that even if an owner's will specifies their share to transfer to someone else upon their death, the final decision is determined by the original vesting in the deed, not the will.³

Probate documents are required by some states, regardless of what the vesting reads.

Beneficiary deeds are used to transfer property deeds after death and usually eliminate the need for the probate process.⁴



At Timios, our goal is to revolutionize and simplify the real estate transaction by placing the consumer in control of a totally transparent experience.

Find out how Timios can help today at
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1. ["Methods of Holding Title."](#) 2018, Viva Escrow

2. ["Understanding Common Ways of Holding Title."](#) California Land Title Association

3. ["Rights of Survivorship."](#) Legal Information Institute, Cornell Law School

4. ["Beneficiary Deed Law and Legal Definition."](#) US Legal

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