FIFTY LEGAL TERMS:

- 1. Estate the assets of a deceased asset owner
- Asset property that has economic valued owned by a person, business, or country
- 3. Liability a sum of money, assets, or debentures owed to a third party.

 Liabilities are recorded on the right side of the balance sheet. Examples of liabilities include loans, accounts payable, mortgages, deferred revenues, bonds, warranties, and accrued expenses.
- 4. Personal Property property that is not money or land/house. Personal property can be tangible and intangible. Personal property that is tangible means the property is a physical object that can be relocated. Intangible personal property, while represented by a physical object, has monetary value as a legal construct. For example, a copyright exists in the physical world as paper. The intellectual property that the paper certifies can have great value. Other examples of intangible personal property include stocks, bonds, other securities in general, promissory notes, life insurance, annuities, shares in an LLC or partnership, and royalties.
- 5. Real Estate an actual parcel of land, i.e., dirt.
- 6. Real Property land, anything that grows, is attached, or erected on the real estate.
- 6. Separate Property property owned by one spouse only.
- 7. Community Property property owned jointly by two spouses in community property states. The community property states are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. Alaska is a "quasi-community property state", allowing married Alaskans to designate marital property as community property.

The general rule is that property acquired by either spouse after the date of marriage is community property and each spouse owns an undivided equal share of the asset. There are exceptions to this rule. Gifts outright or in trust to one

spouse, inheritances, or property obtained after a legal separation are considered separate property.

Unlike property in joint tenancy with right of survivorship, the entirety of the community property does not vest by operation of law when one spouse dies. Rather, half of the community property asset vest in the name of the deceased spouse's estate. Generally, transfer of community property to a trust, changes the nature of the asset from community property to a trust asset.

- 8. Heirs at Law the persons that will inherit from you according to state intestacy law
- 9. Intestate to die without a will
- 10. Testate to die with a will
- 11. Per Stirpes along the lines, meaning children of a person inherit their share of property if they predecease you
- 12. Beneficiaries a person who benefits from a trust or other property
- 13. Living (Inter Vivos) Trust a trust created by you during your lifetime
- 14. Testamentary Trust a trust created by your will
- 15. Minor a person under age 18
- 16. Attorney-in-Fact a person you designate to act on your behalf according to a power of attorney
- 17. Fiduciary someone who owes you a duty of care
- 18. Personal Representative the person who represents a probate estate and does what the Will instructs
- 19. Trustee The person who directs and controls Trust property
- 20. Surviving Spouse a person married to someone who died
- 21. Child a natural born or adopted child
- 22. Descendant a person who is descended by natural birth or adoption from you through your children and grandchildren and great-grandchildren, etc.
- 23. Decedent a person who has died
- 24. Alternate Beneficiary the person who becomes a beneficiary when the first beneficiary is no longer a beneficiary

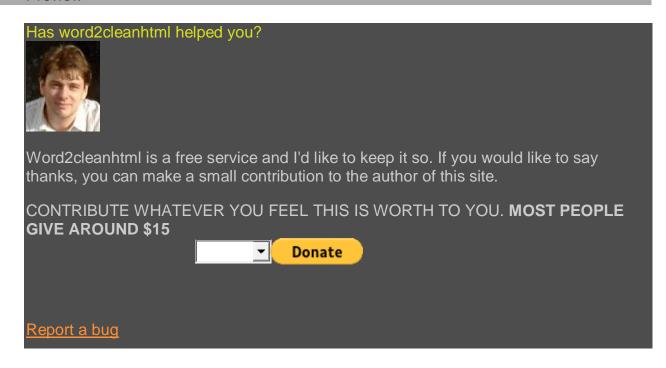
- 25. Residual Beneficiary the beneficiary who receives any property left when all other beneficiaries have received their shares, or the person who becomes a beneficiary when the first and alternate beneficiaries are no longer beneficiaries
- 26. Creditor someone to whom you owe money
- 27. Guardian a person responsible for making decisions for another person, which decisions cannot be overridden by the principal
- 28. Principal the person who makes a document, such as a Power of Attorney
- 29. Disinherit to prevent someone from inheriting who would otherwise inherit from you
- 30. Durable continuing beyond incapacity
- 31. Funding the process of transferring assets to a trust
- 32. Estate Tax taxes paid by an estate to a State or Federal government when the assets of that estate are passed to the beneficiaries
- 33. Gift Tax taxes paid by a person to a State or Federal government when gifting more than a certain amount of money
- 34. Incapacitated unable to manage your own affairs
- 35. Health Care Directive the document that tells your family and doctors what your wishes are at the end of your life if you can no longer speak for yourself
- 36. Pour Over Will a Will that directs all assets to an already-existing Living Trust
- 37. Probate the court process for admitting a Will and appointing a Personal Representative to do what the Will directs
- 38. Revocable Trust A trust that by its terms can be revoked by the Trustor
- 39. Trustor a person who creates a Trust
- 40. Title a document or state of owning an asset
- 41. Will a document that directs what is to be done with assets of a person when they die
- 42. Non-Probate Assets assets which pass outside of your Will
- 43. Probate Assets assets which pass according to your Will
- 44. Deed The document that passes an ownership interest in real property

- 45. Transfer on Death Deed a Deed that passes ownership in real property upon the death of the current owner
- 46. Uniform Transfer to Minors Act a law that prevents transferring property directly to a person under age 18
- 47. Marital Trust a trust created for the benefit of a surviving spouse
- 48. Special Needs Trust a trust created for the benefit of a person who is disabled or has other special needs
- 49. Supplemental Needs Trust a trust created for the benefit of a person and intended to provide for any supplemental needs that person may have (needs not covered by income, assets, or government benefits)
- 50. Distribution payment of money or property to a beneficiary

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