

February 2011

Dear Clients and Friends:

For years I've kept a balance of \$7.00 in a checking account registered in the name of my living trust. The small account comes in handy whenever I sell anything owned by my trust, so I'll have a place to deposit the proceeds check.

My bank notified me they are going to start charging a \$10 monthly fee for accounts with a balance under \$5,000. A number of banks are doing the same thing, but they waive the fee if you use the account for a direct deposit or for online bill payments.

To hold on to your small balance accounts without incurring a fee, consider paying a couple of recurring monthly bills from that account, using the convenience of the online bill pay service. With linked accounts, you can easily move just enough money from a larger account into the free account to keep it solvent.

Here's a tip for bank accounts which are not registered in your living trust. Without giving anyone else an ownership interest in your account, as with joint tenancy, you can name a co-signer. On your request, the bank will provide you with a power of attorney form allowing you to designate someone else to write checks and control the account. This could be handy in the event of your incapacity, or if you want to take a long trip and have your agent paying bills while you're gone.

Will a power of attorney drawn up by your lawyer work as well? Not really. The bank's form modifies your account so that whenever your co-signer writes a check, the bank will automatically honor it. If you have any questions about setting up bank accounts, naming co-signers or beneficiaries, just give me a call.

Regards,



Charles M. Shackelford