

Impac will now allow loans that have an Inter Vivos Revocable Trust as the borrower providing agency guidelines are satisfied.

A Living Trust is an inter vivos revocable trust that meets the following requirements:

- The trust is created by one or more Settlers during his or her lifetime (if any of the settlors have died, or if one of the settlors dies during the application process, the trust becomes irrevocable and is not eligible);
- The trust becomes effective during the Settlor(s)' lifetime (the Settlor is the primary beneficiary of the trust); and
- Each Settlor retains the right during his or her lifetime to revoke or amend the trust.

Eligible loan products and property types include:

- Conventional and Jumbo loans: all transaction types allowed
- FHA/VA loans: owner occupied loans only
- USDA loans: not allowed
- Eligible property types include:
 - Owner-occupied dwellings (1-4 units)
 - Condos and PUDs
 - Second home (1-4 units)
 - Manufactured Homes
 - Investment properties limited to 1 unit

Agency limitations for Texas properties include:

- The loan must be secured by a single-unit principal residence constituting the borrower's homestead under Texas law.
- Mortgages secured by two-to four-unit properties, investment properties, or second homes are not eligible.
- Acreage limited to 20 acres as determined by Texas law

Note: Impac is unable to provide legal advice to the borrower instructing them to deed the subject property out of their trust into their individual names for purposes of obtaining financing. Instruct borrowers to consult with their trust attorney regarding potential exposure for changing the title on the subject property to their individual names.

Trust Documentation

Include a complete copy of the trust agreement or Trust Certification with all loan packages submitted for underwriting that verify all of the following:

- The trust was validly created and is duly existing under applicable law
- The trust is revocable
- The borrower is the person who created the trust and the beneficiary of the trust
- The trust assets may be used as collateral for the loan
- The trustee:
 - Is duly qualified under applicable law to serve as trustee
 - Is the borrower
 - Is the person who created the trust
 - Is fully authorized under the trust documents and applicable law to pledge or encumber the trust assets

In lieu of the trust documents, the title company Trust Certification is acceptable for the following states: AL, AZ, CA, FL, ID, IN, IA, KS, MI, MN, MS, NE, NV, NM, NC, ND, OR, SC, SD, TX, UT, VA, WV.

Title and Title Insurance Requirements

Title to the property must be vested in the name of the trustee(s) on behalf of the trust. We must ensure the title insurance policy does not list any exceptions arising from the trust ownership of the property and provides full title protection to the appropriate agency.

Note: Property must be vested to one trust only.

- A Power of Attorney is not allowed on properties held in a trust.

If you have questions, please contact 855-GO-IMPAC (855-464-6722)