

September 2019

Real Estate Strategy Affected by a Slow Corporate Trustee?

Have you lost out on a home buying opportunity because you couldn't get a distribution in time? Here's what you can do to avoid repeating this all-too-frequent frustration.

We have many clients in the real estate market. And one word that applies to today's market is "fast". Opportunities appear on the market quickly. Decisions are made quickly. Payments are delivered quickly--seizing those opportunities. It's a fast-moving, competitive market. And if you can't respond quickly when the right opportunity arises--you will lose.

'Slow' means lost opportunity

That's exactly what happened to a recent client in Los Angeles who was looking to purchase a home that appeared on their radar. After losing out on a few houses in large scale bidding wars, they finally found what they thought was the perfect house and quickly decided to purchase. To do so, they needed to draw a distribution from their trust and would have to work through their corporate trustee to affect the distribution for the down payment.



Antony Joffe
President, Sterling Trustees

The buyer approached their trustee with the request. They needed to deliver payment quickly--within 3 days. The trustee, however, was on a different schedule. With the red tape--processes and procedures to follow, multiple levels of signatures and Trust Committee approvals--the best response time they could support was a 30-day turnaround--far outside the window of opportunity!

'Slow' means unnecessary frustration

Because of this slow response time, the beneficiary missed the timeframe for payment and lost out on the home purchase. This delay not only impacted the beneficiary--but the attorney as well. That's a crucial, trusted relationship that should not be at the mercy of unnecessary delays.

In a post last year, we outlined another example of corporate trustee slow response times impacting a beneficiary. In that example, the beneficiary needed a distribution for a college tuition payment, and the slow response time resulted in the beneficiary incurring late fees.

How can you take steps to avoid this happening to you and your client in the future?

1. Get the details of internal trustee policies

Either the attorney and/or beneficiary should ask the current corporate trustee to outline their policy on distributions including who the decision-makers are and how it works if they are unreachable and most importantly the timeframe for turnaround. Having this policy in-hand arms you with information to prevent future occurrences and/or address trustee behavior accordingly.

2. Create alternate solutions in advance

The beneficiary should ask for pre-approval of certain types of distributions so that tuition payments, for example, and other deadline requirements are met by the current corporate trustee and can be set up on automatic payment if possible to eliminate any anxiety.

3. Gather alternate contacts for time-sensitive correspondence

The beneficiary and/or attorney should acquire names and phone numbers of other members of the department or trust committee in order to ensure a quick response to meet deadlines. Confirm that those contacts can facilitate your urgent requests.

4. Consider switching to a more flexible, responsive trustee

Is your current trustee the best fit for your clients? There are other choices—including independent trust administration firms that specifically provide flexibility and responsiveness to help with these time-sensitive, unexpected client occurrences. Sterling Trustees is an example here—we specialize in exactly this role—being reachable, flexible and responsive to support real-life requests that need attention—fast. We have turned around distributions as quickly as same day!


Slow response can be a headache, can cause your clients to lose out on opportunity and/or be impacted financially. This is not the only choice. If you and your clients are experiencing issues like these, talk to us. We'll share details on how attorneys are successfully transitioning trustee relationships to a more flexible, responsive solution that improves their clients' overall experience and peace-of-mind.

About Sterling Trustees

Sterling Trustees is a privately held, South Dakota-chartered trust administration company. We provide independent trust administration services to high net-worth families, foundations and endowments. Our unbiased trust compliance services are focused on preserving assets for generations to come. As trustees, we never act as investment advisors. By separating these roles, we avoid conflicts of interest, maintain objectivity, and ensure asset growth for future generations. Our clients' trusts are meticulously managed by our highly experienced trust officer team, using one-on-one communication, unmatched expertise and leading-edge technology to monitor performance

STERLING | TRUSTEES

THE POWER OF INDEPENDENT THINKINGSM

Antony Joffe, President | (605) 593-8950 |  | sterlingtrustees.com