

Sitting Pretty, *and* PAT



The *Private Annuity Trust (PAT)* is a capital gains tax deferral program accepted by

the IRS that could not only save you *thousands* of dollars, but at the same time make you a *profit* on the money you *would* have paid in taxes in the year of the sale! If *you* have highly appreciated assets that are marked for sale, you too can take advantage of this program - once you understand how the process works.

It begins with a property owner transferring ownership of the property to a dedicated family trust. The trust “pays” the property owner (annuitant) for the property, not in cash, but with a special payment contract called a “private annuity.” The private annuity promises to make payments to the annuitant for the rest of his or her life. The trust then sells the property. There are zero taxes to the trust on the sale since the trust “purchased” the property in the form of a private annuity contract.

If the annuitant doesn't need the payments right away, they may
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Beyond the Call

From: Name Withheld
Rec.: 04/18/07 12:36 PM
To: Champayne Knowles
Subject: Quit claim deed

Thank you beyond thank you!
You have gone above and beyond and GOD bless you.
I just cannot praise your effort enough!

More on this story on Page 2



As always, thank you to each and every one of our customers for making our company successful. We view each of you as a partners and your continued success is important to us. You are the reason we exist, so if at any time you feel we need to improve on something or that you feel that you are not getting the service that you need, call our office immediately and speak with myself or **Pat Clark**.

We would also ask that if you know of top notch people in the Title Industry looking to make a change in companies, please make us aware of them. Better yet make them aware of who we are and get them to call us before they make a move.

Thanks A Million!!!

Greg Gary
President & CEO

Legal Reasons for Rejecting an Applicant

As a landlord you are legally free to set whatever conditions you want for a tenancy as long as they are



reasonably related to your business needs and do not violate anti-discrimination laws. The Federal Fair Housing Acts (42 U.S. Code §§ 3601-3619) prohibit discrimination on the basis of race, color, religion, national origin, gender, age, familial status (having children) and physical or mental disability (including alcoholism and past drug addiction). In addition, many states and cities also prohibit discrimination based on marital status or sexual orientation.

However, an applicant may be legally rejected for having:

- ◆ A poor credit history
- ◆ Income reasonably considered insufficient to pay the rent
- ◆ Negative references from a previous landlord or employer
- ◆ A criminal conviction or a prior eviction lawsuit that they lost.

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choose to *defer* annuity payments. The tax code doesn't require payment of the capital gains until the annuity payments begin and the capital gains tax is paid to the IRS with an “easy payment plan” since only that portion of capital gains is due in proportion the number of years the annuitant is actuarially stated to live. If the annuitant begins receiving annuity payments at age 65 and the actuarial tables state that they will live until they are 85, then the capital gains are broken up into 20 yearly payments. There is no interest or penalty due on these deferred tax payments.

If you wish we will gladly provide your tax advisor with the technical and legal information he or she needs to properly advise you. However, you can have them review *IRS Revenue Rulings 55-119 and 69-74*. Also the *IRS' GCM39503 of 5/19/86* and *Treasury Decision TD-8754* issued in 1998, and the *Ninth Circuit U.S. Court of Appeals* decision “*LaFargue v. Commissioner, 689 F. 2d 845 (1982)*” will also prove useful.

Beyond the Call, continued

We recently received this update from our *Senior Processor* regarding her efforts to help a client currently unable to help herself.

I have been in contact with a lady at the prison who is going to accept my emailed deed and fedex air bill. Services are rendered at his particular building tomorrow so cross your fingers that he signs tomorrow. Judy has the file and will be preparing the document within the hour to get it to the lady at the prison. I hope to have this deed back on Friday if all goes well.

I'll keep you posted!

Champayne Knowles
Sr. Processor - Grace Title, Inc.
Phone: 321.207.0465
Fax: 321.207.0466

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The landlord can refuse to rent to smokers or allow pets, if that is the policy, because smokers and pet owners as a group are not protected by anti-discrimination laws. A landlord can also limit the number of occupants for health and safety or legitimate business reasons. However, a landlord may not adopt a low occupancy standard if the

result eliminates families with children as this is a violation of the fair housing laws.

The completed rental application will provide information on the applicant's employment, income, credit and financial information, rental housing history and any criminal convictions. It's legal to ask for all this information and use it to make rental decisions. Landlords may also legally ask for Social Security and driver's license numbers and (except in New York) for proof of legal residency in the United States. You may even ask if the applicant smokes or if has ever been sued.

Misrepresentations on the rental application are always legitimate grounds for rejection. You can easily find out if the applicant makes the \$50,000 per year they claimed by talking with their employer. A background check will reveal is the “former schoolteacher” next door is really a recently released felon.

In short, a prospective landlord can legally ask for any information they wish that will tell them whether an applicant is likely to be a good tenant, and, as long as they do not discriminate, a landlord can legally reject any applicant they wish.

Where's Mr. Bean?



If you can find the man's head within 3 seconds, apparently the right side of your brain is developed better than the norm, and you are probably a genius.

If it takes you longer than 3 minutes, the right side of your brain is slow in reacting, and you should eat more protein.

Grace Title, Inc.

Magnificent Service throughout Florida

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Offices in Altamonte Springs, Eustis and Orlando