



7-STEP CHECKLIST TO HELP AGING PARENTS MAKE A SMOOTH HOUSING TRANSITION

When an aging parent can no longer live in the family home, or can no longer make decisions about their home due to illness or unexpected death, you're faced with transitions that will emotionally stress and challenge you. We created this checklist to make these transitions easier on you and your family.

Need assistance or a referral to trusted resources? Contact us at 214-862-8215.

REALISTICALLY ASSESS HOUSING OPTIONS

Moving your parents into assisted living is often stressful for all parties. Mom or Dad can no longer live on their own, but they don't want to give up their independence. Here are **key things to consider when making decisions about your parents' future housing options**:

- Do they have enough money?** The median, national average cost of a one-bedroom apartment is about \$3,500/month. Unless your parents have long-term care insurance, these costs will be out-of-pocket. So, start figuring out what is financially possible to help you in the decision-making process.
- Determine what your parents need, medically and emotionally.** After you answer the financial question, you can focus on facilities that address your parents' needs within your budget.
- Understand Medicare/Medicaid spend-down.** Educate yourself about the laws in your state regarding selling assets, and whether your parents will be affected by funding their care. Transferring assets to a spouse or other relative can be tricky, if not outright illegal. You cannot usually gift or transfer title to adult and able-bodied children, other relatives, friends, etc., without incurring penalties. Check with an estate planning attorney to help you decide the best way to handle the disposition of your parents' assets to fund future housing and care.

TAKE TIME FOR ESTATE PLANNING

We don't like to think about the decline and death of our parents. But if you want to avoid the cost, stress, and frustration of probate – which only 5% of families do – you'll need an estate plan. Estate planning is for *anyone* who wants to specify how assets are distributed, save money, and prevent family disputes. **Meet with a financial advisor or estate attorney now to:**

- Review your parents' wishes** for their property and assets.
- Identify ways to protect their legacy** and preserve or grow your family's wealth.
- Discuss options if one parent becomes incapacitated** due to stroke or other illness that could affect their mental capacity.



□ **REDUCE “STUFF” BEFORE ANY MOVE**

Even if your parents keep a tidy house, they’ve likely amassed a lot of things they no longer want, need, or use. But the job of sorting through decades of family history and possessions can feel overwhelming — even paralyzing. **These simple steps can help you and them get started:**

- **Consider hiring a professional organizer** to remove some of the emotion.
- **Collect and keep together important papers** such as deeds, wills, Durable Powers of Attorney, medical & military records, diplomas & degrees, birth certificates, passports. Store in a file cabinet or safe-deposit box & let key family members know the location.
- **Shred or properly dispose of items** such as old cancelled checks, outdated food or medications, threadbare clothes, or extraneous household items that just take up space.
- **Donate gently used items** to any number of worthy charities and donation centers, where you’ll be given a form for any relevant tax deductions. Consider Habitat for Humanity for repurposing furniture or household goods.
- **If you plan to have an estate sale, check around to see what it will cost.** Most auction sites charge a percent of the total amount sold. If you don’t have a lot of items, or if your items are family heirlooms that have more sentimental than monetary value, the auction company may put your parents’ belongings in storage until they can combine your items with another family’s items in a larger auction. You’ll typically pay a storage fee with this type of auction house.

□ **SHORE UP FINANCIAL INFORMATION**

It’s important to take steps to reduce the risk of credit card fraud or an unscrupulous person gaining access to your parents’ hard-earned dollars. **Get peace of mind that they’re financially safe by:**

- **Cancelling credit cards and closing bank accounts** that your parents no longer require for their day-to-day living.
- **Updating all bank and credit card companies** with their new address once they move.
- **Taking care of any steps to become a co-signer on your parents’ accounts.** If you think this is necessary, you will need to do it while their mental capacity is unchallenged.

□ **CREATE A NOTIFICATION LIST**

Don’t wait until you’re in the middle of your parent’s move to think about whom you’ll need to notify. **Make your list now, and be sure to include:**

- **Utility companies**, including who will continue to pay the bills – even if only for a short time – before the home is sold or rented.
- **Subscription services**, including newspapers or magazines, deliveries, meals, etc.
- **Key friends and family.**



□ **CONSIDER ALL OPTIONS FOR THE FAMILY HOME**

One of the more emotionally-charged decisions in an aging parent's housing transition is what to do with the family home. Many families are surprised to learn about **different ways they can get a fair price without the hassle of a lengthy sales process**. Here are options to explore:

- **List on the open market.** Keep in mind that you'll need to get the property "HGTV" ready, make it available for prospective buyers to view, potentially endure a lengthy sales process, and pay Realtor® commissions.
- **Sell to a wholesale company.** But beware: Wholesalers tag on a hefty fee when they are "wholesaling" your house. Many of these "quick close" companies are not the end buyer of your property. There is a real possibility that they won't close when they say and/or the end buyer will want a reduction in the price of the home.
- **Sell quick for cash.** A vacant home that needs repairs is costly and time consuming, and most sellers don't realize what it takes to get their parents' house ready for market. If you don't have the time or money to fix up your parents' house, working with a reputable company on a quick and convenient sale of the home is a great choice.
- **Turn the home into a rental.** This is a good option for families who want to keep the house, but need to cover the continued expenses of taxes, insurance, and utilities. Contact a qualified, property management office to determine if your parents' house is in a prime rental location, what the monthly rent would be, and if it makes sense from a tax perspective to turn your family home into an investment property.

□ **CHANGE THEIR ADDRESS**

It's a **small but important thing that sometimes gets lost** in the numerous things you have to deal with before, during, and after the transition. Things you'll want to consider:

- **Do they have sensitive financial information** that should not go to an assisted living facility? Mail fraud is on the rise, especially with seniors, so think carefully about the best way to receive your parents' mail.
- **When you change the address, you may want to forward mail** to your parents' new home, or you may decide to **establish a post office box** at one of the numerous postal stations that are on almost every corner.

If you still need assistance or would like a referral to a trusted resource, contact us at 214-862-8215.