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Transfer on Death Deeds Now Valid in Texas

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Texas property owners now have a new tool to avoid probate. Effective September 1, 2015, <u>Texas</u> <u>Estate Code Section 114.151</u> allows for Transfer on Death Deeds. Lawmakers believe this provision will provide a simplified process for the non-probate transfer of real estate.

A Transfer on Death deed operates the same as any other conveyance, except that title does not pass to the grantee until the grantor's death. The property conveyed passes outside of the grantor's estate. To be effective, a Transfer on Death Deed must be signed, notarized, and recorded in the deed records of the county where the property is located prior to the death of the grantor. It may not be created through the use of a power of attorney. An unrecorded Transfer on Death Deed is ineffective to convey property. The statute permits the naming of alternative beneficiaries in the Transfer on Death Deed; however, the statute does not permit a grantor to convey under complicated distribution provisions or to several people in varying percentages. If the grantor changes his or her mind, a Transfer on Death Deed may be revoked by the filing of a "Cancellation of Transfer on Death Deed" form or by the recording of a subsequently executed conveyance of the same property. A Transfer on Death Deed may not be revoked by a will.

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