# Why Your Living Trust is Safe in Economic Turmoil (Part 1)

The Emergency Economic Stabilization Act of 2008 (EESA '08) is a law recently passed by Congress attempting to alleviate the enormous financial crisis that is not only affecting our country but also affecting the rest of the world.

The intent of the legislation was to buy up struggling assets to restore consumer and investor confidence, in an attempt to breathe life into the failing mortgage and housing sectors, both key components of the United States' economic strength.

This legislation is also known as the "economic bailout package", and was heralded by many of its creators and proponents as the only way to stabilize the stock market and save the United States from spiraling into a vast Recession-or worse, another Depression.

Opponents of the legislation argue that the economic bailout will force unnecessary debt on taxpayers while offering Wall Street CEOs a figurative "golden parachute".

Despite the passage of the act, many Americans remain highly concerned about the consequences of an economic downturn, and how this situation will affect their financial future.

Here are some things to keep in mind:

Although a Recession (and certainly, a Depression) would be a serious issue, those who have created a revocable trust, or "living trust", can rest assured that their estate planning assets will be protected if they are held in an FDIC account.

The EESA '08 strengthened the protection offered by the Federal Deposit Insurance Corporation (FDIC), a government program that guarantees money deposited in all FDIC member banks.

The FDIC currently (and through December 31, 2009) covers depositor accounts up to $250,000 per depositor, including revocable trust accounts.

For accounts held in the name of revocable trusts or living trusts, the $250,000 limit applies per beneficiary of the trust-up to $1,250,000 per account, per bank. This means that with a properly drafted estate plan, living trust assets can benefit from significantly higher government insurance coverage limits, enabling depositors to keep higher balances in single banks, and thereby facilitating ease of management and stronger bargaining position.

This recent experience has shown us all that economic conditions change, sometimes rapidly. So it is important - it is vital - to keep your estate plan current, so no matter the economic conditions, you'll be protected.

Whether your estate planning goals are immediate or long-term, a qualified California estate planning attorney will be able to counsel you on the best options available to you to meet your individual needs. Author Resource:- Kevin Von Tungeln is the Managing Partner of EstatePlanningSpecialists.com and Thompson Von Tungeln, P.C. Kevin practices in the areas of estate planning, probate, wills, and trust administration. Visit www.EstatePlanningsSpecialists.com or www.linkedin.com/in/kevintungeln.