The Value of Working with a Certified Liability Advisor (CLA™)

Liability management is the holistic approach of debt and cash flow management to achieve short- and long-term financial goals by applying traditional Financial planning concepts to real estate and mortgage.

This guide explains how Financial Planners/Estate Planners and Probate Atty's benefit from a CLA's knowledge and expertise in simplifying challenges that arise from the transfer of real property.

Guild mortgage
OWN WHAT MATTERS



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Why Liability Managment?

Making borrowing decisions in isolation without considering all sides of the personal balance sheet can lead to unintended consequences. Most consumers focus on daily or monthly cash flow or borrowing to supplement their lifestyle while delaying savings decisions. It is far easier to borrow $100,000 than save $100,000, and this is often done without a plan to repay that debt in the most effcient way possible to minimize your cost of shelter over your life time.

Liability management is based on a 3-sided balance sheet. Essentially, how does real estate, liabilities and assets work together to create wealth. Once a consumer has a clear understanding on their borrowing and real estate goals, a liability advisor uses suitable borrowing programs, repayment strategies, and considers tax ramifcations of buying, selling, or refinancing residential real estate to support the client on the management of their liabilities. Liability advisors consider the changing eligibility, suitability and lifestyle needs of the client to manage liabilities over the life time relationship of the client. Through this process, the consumer will make better decisions that support a variety of financial goals.

What is a Certified Liablity Advisor

The role of a Certified Liablity Advisor is to support the consumers and their advisors in the preservation, growth and protection of their wealth. A CLA™ focuses on the liability side of the balance sheet, educating on cash flow, tax strategies, and the use of debt and leverage of real estate holdings to better align with the overall financial planning objectives for each client and their wealth team.

How a CLA Simplifies Complex Decisions

Equity Buyouts

Offer strategies in the event of conflict amongst the co-heirs on the disposition of real property. (e.g. selling vs renting)

Estate Taxes

Create a source of liquidity to solve for the problem of estate taxes without liquidating assets.

Providing for Surviving Spouse

Provides guidance and options to assist heirs that may have limited cash flow to continue their quality of life after probate.

Equilizing Inheritance

Develop strategies to provide liquidity to equalize inheritance when multiple heirs may need funds as a portion of their share.

Preserving Business Interest

Succession planning to fund continuation of the business.

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