CHAPMAN
Focused on Finance®

Common Trust Funds

Banks originally created common trust funds as a way to efficiently manage pools of funds held in trust for their customers. Unfortunately, tax rules governing common trust funds never became supple enough to allow sponsoring banks the same flexibility now found in other investment vehicles.

We advise banks on the treatment of income, disposition of interests, termination, acquisition and RIC conversion of a variety of common trust funds.

Although common trust funds have now largely fallen out of favor, many banks continue to face issues related to them, either because they have older funds that are continuing or because they have inherited the funds as part of the acquisition of another banking group. Our clients appreciate the fact that though this legal tax niche is small, we can and do address issues pertaining thereto and are particularly dedicated to serving their needs.

Representative Transactions

- Chapman has repeatedly advised clients on the treatment on common trust funds in bank acquisitions and consolidations.
- Chapman has advised clients on the conversion of common trust funds to RICs and on the dissolution of common trust funds.

Attorneys

Paul D. Carman

Related Practices

Asset Securitization (Tax)

Certified Capital Company Finance (CAPCOs)

Corporate Finance (Tax)

Credit Tenant Loan Finance

Cross-Border Institutional Private Placements

Debt Instruments

GIC Providers

Governmental Institutions and Agencies

International Transactions

Investment Trusts and RICs

Leveraged Leasing (Cross-Border and Domestic)

Limited Liability Companies

Mergers and Acquisitions

Mortgage-Backed Securities

Municipal Bond Tax Controversy

Not-for-Profit and 501(c)(3) Organizations

Offshore Funds

Partnerships

Public/Municipal Finance

Real Estate Investment Trusts (REITs)

Real Estate Mortgage

Investment Conduits (REMICs)

Special Tax Counsel

State/Local Tax Issues

Synthetic Lease Finance

Tax Lobbying

Taxation