

A Simple Guide to Lady Bird Deeds in Michigan

A **Lady Bird Deed**** (also called an ****Enhanced Life Estate Deed****) is a smart, Michigan-specific way to pass your home or other real estate to your loved ones after you pass—without probate court hassles. It's like adding a "beneficiary" to your house, similar to how you name someone on a bank account or life insurance.**

This tool is popular among Michigan seniors because it's simple, low-cost, and gives you full control while alive. Michigan is one of only a few states (like Florida and Texas) that allows it.

What Is a Lady Bird Deed?

You (the owner, called the "grantor") keep a **life estate**** in the property—you live there, use it, rent it, or do whatever you want. But you "enhance" it with special language that lets you:**

- Sell the property anytime**
- Mortgage or refinance it**
- Lease it out**
- Change or remove beneficiaries**
- Even cancel the whole thing**

All without needing permission from the people who will get it later (the "remainders" or beneficiaries).

When you pass away, the property automatically goes to the named beneficiary(ies)—no probate needed. They just record your death certificate and a simple Property Transfer Affidavit with the local assessor.

It's **not**** like a regular life estate deed (where beneficiaries must approve sales). The "enhanced" part gives you total freedom.**

Key Benefits for Michigan Folks

- ****Avoids Probate**** — No 6–12+ month court process, no probate fees, no public record of your home and heirs. Saves time and money for your family.
- ****Keeps Full Control**** — You run the show while alive. Sell, gift, or change your mind anytime—no one else's okay needed.
- ****Medicaid Planning Help**** — Creating the deed isn't a "transfer" for Medicaid's 5-year look-back rule. The home stays an exempt asset if it's your primary residence. It often protects against Medicaid estate recovery claims after death (under current Michigan law, Medicaid can't claim from non-probate assets like this). Great for long-term care planning.
- ****Property Tax Protection**** — If drafted right (to qualifying family members), it avoids "uncapping" your taxes—your heirs keep the low assessed value (no big jump under Proposal A rules).
- ****Privacy**** — No court filings; transfer stays private.
- ****Stepped-Up Basis**** — Heirs get a fresh tax basis for capital gains if they sell later.
- ****Low Cost**** — Usually \$200–\$500 to prepare and record (cheaper than a full trust for just a house).

How to Set One Up (Requirements)

1. ****Get the Right Deed Language**** — Must include specific wording for the "enhanced life estate" and power to sell/mortgage/change beneficiaries. Use Michigan Land Title Standards (Section 9.3) as a guide.
2. ****Name Beneficiaries**** — Can be people, multiple people, or even your revocable living trust. (Direct to family often safest for tax uncapping.)
3. ****Sign and Notarize**** — You sign it (like any deed). Notarization required.
4. ****Record It**** — File with your county Register of Deeds (small recording fee). Once recorded, it's official.
5. ****Best with an Attorney**** — DIY forms exist, but mistakes can cause problems (like uncapping taxes or losing Medicaid protection). An estate planning or elder law attorney ensures it's done right—many offer affordable flat fees.

Drawbacks and Things to Watch

- ****Only for Real Estate**** — Doesn't cover bank accounts, cars, or personal items (use beneficiary designations or a will/trust for those).
- ****Public Record**** — The deed itself becomes public when recorded (but less info than probate).
- ****No Incapacity Help**** — Doesn't let someone manage if you're ill (a power of attorney or trust does that).
- ****If Beneficiary Dies First**** — Property goes to their heirs or as your will says—can get complicated without backups.
- ****Medicaid Rules Change**** — Protections are strong now, but consult an expert—laws evolve.
- ****Not for Everyone**** — If you have multiple properties, a business, or want detailed control after death, a revocable living trust might be better (or use both: Lady Bird to the trust).

Lady Bird Deed vs. Living Trust (Quick Comparison for Real Estate)

- ****Lady Bird Deed**** — Cheaper, simpler for one property; full lifetime control; great Medicaid perks; no incapacity management.
- ****Revocable Living Trust**** — Covers all assets; handles incapacity; more flexible for complex families; higher setup cost.

Many use a Lady Bird Deed just for the house and a trust (or will) for everything else.

****Quick Tips****

- **Ideal if your main asset is a Michigan home and you want simple probate avoidance + Medicaid protection.**
- Update if you remarry, divorce, or family changes.
- After death, beneficiaries handle transfer quickly—no executor needed for the house.

A Lady Bird Deed is a thoughtful, Michigan-friendly way to protect your home and make things easy for your family. You've earned that peace of mind!

(This is general info based on Michigan law as of 2026.)