AUGUST 2026

From the Desk of the Lev Rourk Group

U P D A T E

JUDITH WILKENS LEV
Senior Vice President
Investment Management Consultant
Financial Advisor
NMLS# 1252284

COREY D. LEV, CFP®, CRPC®
Senior Vice President
Financial Planning Specialist
Financial Advisor
NMLS# 1261752

RONALD L. ROURK, CFP®
First Vice President
Financial Advisor
NMLS# 1255573

1200 Franklin Avenue
Garden City, New York 11530
516-227-2899
800-645-8600
516-248-8630 Fax

judy.w.lev@morganstanley.com
corey.d.lev@morganstanley.com
ronald.l.rourk@morganstanley.com

Morgan Stanley

Estate Planning for Complicated Family Situations

In our modern and increasingly complex society, planning for the future is not always straightforward. Divorce and remarriage, blended families, children with disabilities, or even a financially irresponsible child can complicate estate planning to the point where procrastination is tempting. While accommodating all of your loved ones is a delicate balancing act, the reward is peace of mind in knowing that your spouse and children will be cared for in the best possible way following your death.

If You Are Divorced

One of your top priorities is updating your beneficiaries, last will, trusts (along with the executor/trustee), durable power of attorney, and healthcare proxy. Likewise, because you no longer have the benefit of combining your estate and inheritance tax exemptions with a spouse, you may need to consider more strategic estate planning to avoid estate taxes.

If there are children involved, you have even more decisions to make, including guardians of any minor children.

While you can name anyone as your beneficiary on life insurance policies, annuities, retirement accounts (if permitted by your plan), IRAs, and health savings accounts, your children typically cannot receive these funds until they turn 18. In the meantime, your children's appointed guardian, such as their surviving parent, could be designated by the court to manage these monies until they reach adulthood. Proper estate planning can avoid any mishandling of those funds.

One way to ensure this outcome is to set up a trust with an appointed trustee, such as a grandparent, aunt, or godparent.

Continued on page 2

Credit Issues as You Age

While obtaining credit can be just as important for older individuals as it is for younger ones, older individuals often have unique credit issues. To help ensure that you don't have credit problems as you age, consider these tips:

✔ **Apply for major loans while you are still working.** If you are getting close to retirement and know you'll need a loan, perhaps for a retirement home or new car, apply for credit a few years before retirement.

✔ **Make sure that credit cards are obtained as joint accounts.** If you have an individual account with your spouse listed as an authorized user, the lender can close the account if you die. However, if the account is a joint one, the creditor cannot automatically close the account or change its terms. The lender may require the surviving spouse to update the application if the lender suspects that he/she does not have adequate income for the credit limit.

✔ **Ensure that both you and your spouse have a good credit history.** Review your credit reports, ensuring that all information is accurate and that you both have sufficient history. That way, either of you will be able to obtain credit if the other dies.

✔ **If you are denied credit, find out why.** It could have been an error, or you may convince the lender to consider other information. You may also be able to negotiate a compromise with the lender. For instance, if the lender is concerned about your age when considering a 30-year mortgage, perhaps a 15-year mortgage would be acceptable. ✔✔✔

Estate Planning

continued from page 1

If You Have Remarried

While remarrying is a beautiful reminder that second chances really do exist, this can often complicate estate planning — particularly when at least one spouse has children from another marriage. The first step is to sit down with your spouse and discuss what you both feel is fair for each other and your children.

Because of state marital estate laws, unless you have a prenuptial agreement in place, your current spouse has legal entitlement to up to half of your estate, regardless of what your will may designate.

Assuring that your surviving spouse is provided for while leaving a legacy for your children can be a fragile matter; it's important to have a plan that assures both your spouse and children receive what you intend. You might consider a trust, such as a marital trust, qualified terminable interest property trust (QTIP), or irrevocable life insurance trust (ILIT) that can provide lifetime income to your surviving spouse, while simultaneously ensuring that your heirs receive the remaining proceeds.

If You Have A Special Needs Child

Understandably, parents of a special needs child are often so distracted with accommodating their child's immediate needs that important financial matters are overlooked. The consequences of putting off estate planning are far worse in these situations.

The two most important factors to consider are preserving your child's eligibility for Medicaid and other essential benefits while continuing to provide the best possible lifestyle for him/her. However, without a proper action plan, an inheritance could disqualify your special needs child from vital benefits.

To avoid this situation, parents often leave special needs children out of the inheritance equation, listing other siblings or a designated guardian as heirs with the intention that their special needs child will be provided for as he/she continues to receive necessary medical benefits. The truth is, misuse of these intended funds is always a possibility, as intentions and reality often do not mesh. A much more reassuring path is to consider a special needs trust, which can assure that your child continues to qualify for medical benefits while providing a sound financial future that can include special trips, therapeutic lessons, and life-enhancing activities.

An Irresponsible Adult Child

It's quite common for parents to worry that a child could get into serious trouble when presented with a large sum of money. This depends on a variety of factors, such as age at the time of inheritance, lifestyle, or even addiction issues. Consider establishing a trust where the appointed trustee can limit your child's inheritance to several installments throughout the course of his/her lifetime, place conditions such as good behavior on the disbursements, or even appropriate the funds for something as specific as college tuition. ✔✔✔

Set Your Own Debt Limits

Credit can be a valuable tool that allows you to purchase major items and pay for them over time. But the ready availability of credit also makes it easy to incur more debt than you can comfortably repay. Rather than allowing lenders to set credit limits for you, evaluate your financial situation and determine your own limits.

To find out where you stand with consumer debt, which includes all debt except your mortgage, make a list of your debts and monthly payments. Then calculate your debt ratio by dividing your monthly debt payments by your monthly net income. The general guideline is that your debt ratio should not exceed 10% to 15% of your net income, with 20% usually considered the absolute maximum. However, you should consider your own circumstances and decide how much debt you are comfortable with.

Before purchasing something on credit, carefully evaluate whether it makes financial sense to do so. Some questions to ask yourself include:

- ✔ Should I wait and save the money so I can pay cash for the item?
- ✔ Will the cost of the item increase or decrease in the future?
- ✔ Is it really worth paying interest on the item so I can use it now?
- ✔ Will I still be within my designated debt limits if I add this new debt payment?
- ✔ Will the item still have value after I finish paying for it?

Setting your own debt limit and carefully evaluating whether you should purchase an item on credit should help you keep your debt under control. ✔✔✔

Interest Rates and Debt

In simple terms, an interest rate is the cost of borrowing money. Understanding interest rates and how they work is essential to making smart financial decisions.

Interest Rate Basics

An interest rate is the amount a borrower (or debtor) is charged by a lender (or creditor) to borrow money. It is usually expressed as a percentage of principal. By charging interest, a lender is compensated for lending you money. By paying a certain amount of interest every time you make a payment, you also help to lessen the financial blow to the lender if you default on (or fail to pay back) the loan.

How Interest Rates Are Determined

A variety of factors influence interest rates. Some are macroeconomic, or related to broad economic trends. In the U.S., the Federal Reserve (the country's central bank) sets what is called the Fed funds rate, which is the amount banks charge each other for certain types of loans. The Fed funds rate, in turn, influences other interest rates, including the prime rate — the interest rate a bank charges its best (or least-risky) customers. The prime rate then influences other consumer interest rates, such as those for cars, credit cards, and mortgages. The Fed uses its ability to set interest rates to influence the broader economy, lowering interest rates to stimulate growth or raising them to combat inflation.

Of course, broad economic trends aren't the only factors that affect what interest rate you're charged. A lender will also look at your overall creditworthiness and then offer an interest rate on how risky the lender believes it is to loan you money. If you have defaulted on debts in the past and have little income, a lender may only offer you a loan at a very high rate or even decline to loan you money at all, because it fears there's a good chance you won't pay the money back. On the other hand, if you've always paid your debts promptly and have a good income, you may get a lower rate.

Finally, the interest rate you're charged depends on the type of loan you want. One reason mortgage loans tend to have lower interest rates is because they are secured loans, meaning you promise an asset as collateral when you get the loan. If you fail to make payments, the lender has the right to claim that asset (in the case of a mortgage, the house). On the other hand, credit cards tend to have high interest rates because they are unsecured loans, meaning you offer nothing as collateral in exchange. If you fail to pay your debt, the lender has fewer options for recovering what you owe.

The Cost of Borrowing Money

Whether you're borrowing a lot or a little and whether you're rich or poor, the same basic principle applies: the higher the interest rate, the more it will cost you over the long term to borrow money.

For most people, the challenge with debt and interest rates is balancing their short-term financial situation with their long-term goals. In general, it is advantageous to pay off a loan as quickly as possible no matter the interest rate, since you'll pay less interest overall. (Occasionally, there may be some exceptions to this rule, such as if you can claim the mortgage-interest deduction.) But if your budget is tight, the lower monthly payment that comes with taking a longer time to pay off the loan may be worth it, despite the higher overall interest costs.

If you are not cautious, however, high interest rates and low payments can send you into a debt spiral that it is difficult to escape. Making low payments on a high-interest debt can leave you paying as much in interest as you originally owed and sometimes more. ✔✔✔

Watch Your Credit When Divorcing

Make sure to consider your credit accounts if you are going through a divorce. First, determine what types of credit accounts you have:

✔ An individual account is the responsibility of the account holder. The spouse is typically not responsible for any of this debt.

✔ Even if you have an individual account, you may have authorized your spouse to be an account user. Even though your spouse can charge on the account, you are solely responsible for the debt.

✔ A joint account is the responsibility of both spouses.

The divorce decree will typically indicate who is responsible for joint debts. However, if that person does not pay the debt, the lender can come after the other spouse, regardless of what the divorce decree indicates.

Once your divorce is final, you might want to close any joint accounts or individual accounts where your spouse is an authorized user. You can also ask the creditor to convert a joint account to an individual account or remove your spouse as an authorized user. In some cases, the lender may have you reapply for credit before converting a joint account to an individual account. ✔✔✔

FR2026-0224-0003

Market Data

	Month End			% Change	
Stocks:	Jun 26	May 26	Apr 26	YTD	12-Mon.
Dow Jones Ind.	52319.20	51032.46	49652.14	8.9%	18.7%
S&P 500	7499.36	7580.06	7209.01	9.6	20.9
Nasdaq Comp.	26213.72	26972.62	24892.31	12.8	28.7
Total Stock Market	74557.05	74913.05	71306.98	10.5	21.6
Precious Metals:					
Gold	4029.00	4560.50	4641.00	-7.3	22.8
Silver	59.45	75.62	73.75	-17.9	65.2
Interest Rates:	Jun 26	May 26	Apr 26	Dec 25	Jun 25
Prime rate	6.75	6.75	6.75	6.75	7.50
Money market rate	0.51	0.43	0.42	0.41	0.44
3-month T-bill rate	3.74	3.60	3.59	3.57	4.20
20-year T-bond rate	4.93	4.98	4.97	4.79	4.79
Dow Jones Corp.	5.40	5.35	5.27	5.00	5.18
Bond Buyer Muni	4.59	4.69	4.59	4.79	4.96

Sources: Barron's, Wall Street Journal. An investor may not invest directly in an index.

THE LEV ROURK GROUP AT
MORGAN STANLEY WEALTH MANAGEMENT
Morgan Stanley
1200 Franklin Avenue
Garden City, New York 11530