



GUIDE FOR HANDLING A DECEASED MEMBER'S ACCOUNTS

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Tower Federal Credit Union understands how difficult and overwhelming it is after a loved one has passed. This is why Tower has a designated department that is responsible for handling deceased member cases. The Member Case Settlement Department has Specialists who can assist you with the settlement closing process.

Deceased Member Accounts will be closed within 1-3 months.

Tower Federal Credit Union will continue to report interest earned to the Internal Revenue Service until the decedent's account is closed. If the account has an associated single joint or multiple joint owners, interest is reported under the decedent's social security number through the full month of death. Any interest earned after, is reported under the joint owner's social security number. If there are multiple joint owners, the interest earned on the account is equally shared amongst all owners.

Understanding the full scope of an account and what documentation is needed is essential. This guide will provide you with general information and additional resources needed in order to settle these types of accounts.

Please note that the information contained in this guide is for informational purposes only. Whenever appropriate, contact the probate court in the jurisdiction where the decedent resided, such as the Office of the Register of Wills in Maryland.

Contact Information

There are several ways to report a deceased member to the credit union:



IN PERSON:

Visit any Tower Branch or office. Find locations at towerfcu.org.



BY PHONE:

301-497-7000
866-56-TOWER



BY MAIL:

7901 Sandy Spring Rd
Laurel, MD 20707
Attention: Member Case
Settlement Department

General Information

All financial institutions are required to immediately act upon any form of a death notification. One form of notification is through a Federal Agency. Financial institutions must follow Federal guidelines which require returning all Federal payments received after the date of death. This reduces the financial institution's liability. Tower will not contact any Federal agency to determine if you are entitled to any Federal payment deposit, prior to returning a Federal payment benefit. You must contact the appropriate Federal agency and work directly with their representatives. Contact information for government agencies are listed on the last page of this guide.

To begin the settlement for a deceased member account, Tower requires a Certified Copy of the Death Certificate and a copy of the driver's license or state issued picture ID for any Joint Owners and Payable on Death Payees (PODs) who are not known to Tower, also known as a non-member. **A Power of Attorney or a designated Convenience User (under MD Multiple Parties Law) on the decedent's account is voided upon the death of the principal party.**

For accounts that have no associated account owners (no joint owners or no payable on death) a Letter of Administration and an EIN (Employer Identification Number) is required, along with a Certified Copy of the Death Certificate and Copy of Your Driver's License or State Issued Picture ID. By law, ANY funds left in an account with NO other associated account owners belongs to the decedent's estate. This includes savings, club, checking, money markets, and certificates of deposit (share certificate).

Exceptions will be handled on a case-by-case basis by the Member Case Settlement Department. The maximum timeframe that an account should remain open should not exceed 6 months.

Accounts with a Single Surviving Joint Owner

Joint Owner Deposit Accounts with a single surviving joint owner on ALL open share suffixes/accounts can remain open for 90 days.

Tower requires the following documentation in order to close the account:

- Certified Copy of the Death Certificate
- Copy of your Driver's License or State Issued Picture ID

The surviving joint owner can continue to use the account up to 90 days, which includes but is not limited to:

- All Home Banking services (if you have the decedent's Home Banking credentials)
- Surviving joint owner's debit card
- Checks and ACH debits
- Deposits and ACH credits
- Wires

The deceased member's debit card will be immediately deactivated to prevent unauthorized use. All Home Banking services and surviving joint owner's debit card will be deactivated/canceled within 90 days.

Tower's Collection Department may reserve the right to collect from the share accounts for any outstanding consumer loan or credit card on the decedent's account.

A Share Certificate Account with a single surviving joint owner will be closed without a penalty once documentation requirements are met. See Tower's requirements before the account is closed. The funds in the account will go to the surviving joint owner, once any open loans have been satisfied.

Please Note: Any remaining funds in an account will not be disbursed, until the documentation noted above is received by Tower. If Tower does not receive the required documentation timely, the remaining funds in the account may be escheated to the State of Maryland.

Accounts with Multiple Surviving Joint Owners (Same Joint Owners listed on all accounts)

Multiple Joint Owners who are listed on all share suffixes/accounts upon the decedent's death may have transaction rights and may be allowed full access to the decedent's account up until 90 days. Under Maryland Law the account agreement determines who has access to funds in the account while you are living and after your death. Our account agreement states that the surviving parties have unrestricted rights to access the account and we have no liability whatsoever to any surviving parties in connection with the actions of other surviving parties. If two or more parties survive the primary member, we will pay the then current balance in equal shares to the surviving parties when the account is closed. If only one party survives the primary member, we will pay the then current balance to the surviving party when the account is closed. None of the funds in the account will be part of the estate of the decedent.

Tower requires the following documentation in order to close the account:

- Certified Copy of the Death Certificate
- Copies of all Joint Owner's Driver's License or State Issued Picture ID

The surviving joint owner can continue to use the account up to 90 days, which includes, but is not limited to:

- All Home Banking services (if you have the decedent's home banking credentials)
- Surviving joint owner's debit card
- Checks and ACH debits
- Deposits and ACH credits
- Wires

The deceased member's debit card will be immediately deactivated to prevent unauthorized use. All Home Banking services and surviving joint owner's debit card will be deactivated/canceled within 90 days.

Tower's Collection Department may reserve the right to collect from the share accounts for any outstanding consumer loan or credit card on the decedent's account.

The account will be closed and the remaining funds in the account will be distributed equally to the joint owners on the account.

A Share Certificate Account with multiple, surviving joint owners will be closed without a penalty once documentation requirements are met. See Tower's requirements before the account is closed. The funds in the account will be distributed in equal shares to the surviving joint owners, once any open loans have been satisfied.

Please Note: Any remaining funds in an account will not be disbursed, until the documentation noted above is received by Tower. If Tower does not receive the required documentation timely, the remaining funds in the account may be escheated to the State of Maryland.

Accounts with Payable On Death (POD's) or Multiple Joint Owners that Vary by Account

Single Owner Accounts with designated Payable on Death payee(s) or multiple joint owners on all accounts that are not the same, will be closed and any remaining funds will be distributed equally to the designated beneficiaries once any open loans have been satisfied.

Tower requires the following documentation in order to close the account:

- Certified Copy of the Death Certificate
- Copy of your Driver's License or State Issued Picture ID

A Share Certificate Account with PODs or multiple, surviving joint owners will be closed without a penalty once documentation requirements are met. See Tower's requirements before the account is closed. The funds in the account will be distributed in equal shares to the surviving PODs or joint owners, once any open loans have been satisfied.

Please Note: Any remaining funds in an account will not be disbursed, until the documentation noted above is received by Tower. If Tower does not receive the required documentation timely, the remaining funds in the account may be escheated to the State of Maryland.

A POD has no authority to the decedent's account at the time of death, other than the funds in the account. All services for PODs and accounts with multiple joint owners on all accounts that are not the same, will be immediately discontinued.

Accounts with No Other Associated Owner

Single Owner Accounts with NO joints or designated Payable on Death payee(s) will be closed and any remaining funds will be distributed to the Estate once any open loans have been satisfied.

Since there are no associated account holders listed on the deceased member's account, the personal representative will be required to provide the following documentation in order to close the account:

- Certified Copy of the Death Certificate
- Letter of Administration
- EIN (Employer Identification Number) issued online at www.IRS.gov
- Copy of the Estate Personal Representative's Driver's License/State issued ID

All Services associated to the account will be discontinued.

Tower's Collection Department may reserve the right to collect from the share accounts for any outstanding consumer loan or credit card on the decedent's account.

A Share Certificate Account with no associated owner will be closed without a penalty once documentation requirements are met. See Tower's requirements before the account is closed. The funds in the account will be distributed to the estate of the decedent once any open loans have been satisfied.

Please Note: Any remaining funds in an account will not be disbursed, until the documentation noted above is received by Tower. If Tower does not receive the required documentation timely, the remaining funds in the account may be escheated to the State of Maryland.

Estate Accounts

Tower opens Estate accounts upon a request from an Executor/Personal Representative of a decedent's estate, if the eligibility requirements are met. The eligibility requirements are the following:

- The decedent must have been a member of Tower Federal Credit Union and a resident of the State of Maryland at the time of death, or

- All the Estate beneficiaries are members of Tower Federal Credit Union prior to opening the estate account and the decedent was a resident of the State of Maryland at the time of death

An **Estate Account** is a new account opened, after someone passes away, by an Executor/Personal Representative of the decedent's estate.

An **Executor** is appointed by a probate court to administer the decedent's assets, pay debts, and disburse estate owed funds to beneficiaries and more.

For more information about Estate accounts, please visit any Tower branch.

Revocable Living Trust Accounts

Tower opens Revocable Living Trust Accounts upon a request from a Trustee/Grantor.

A **Trustor/Grantor** is an individual who creates the trust and is the owner of the assets and property for income purposes.

A **Revocable Living Trust** is a fiduciary arrangement created by an individual(s) that can be changed over time. Revocable living trusts are used to avoid probate and to protect the privacy of the trust owner(s) and beneficiaries of the trust.

When the last Trustor/Grantor dies, the Revocable Living Trust becomes an Irrevocable Trust Account. At this point in time, the trust account will need to be closed.

For more information about Revocable Living Trust account, please contact Tower's Certificate Department.

Individual Retirement Accounts (IRAs)

The IRA account(s) will be closed without a Tower Federal Credit Union penalty and distributed to the designated beneficiary(ies). A spousal beneficiary may choose to accept the funds from the IRA account(s) as their own and deposit them directly into an IRA account established in their name. For a non-spousal beneficiary(ies), the funds will be placed into an IRA beneficiary account. A representative will provide the beneficiary(ies) with additional information and disbursement options.

Due to tax rules and the complexities surrounding inherited IRAs, please consult a tax advisor before contacting Tower.

Automatic Payments

We reserve the right to return any automatic transfers coming in or going out of a deceased account.

For individual accounts, any automatic transfers going in or out of Tower will be returned.

For Single Joint Owner accounts, automatic transfers in or out will still disburse accordingly. Any government direct deposits in the name of the deceased member received after the date of death will be returned. The Surviving Joint Owner will be responsible for notifying all companies of the member's death and to advise them to discontinue automatic transfers from/to the decedent's account.

Federal Direct Deposits

Any Federal payments received in the deceased account holder's name after the date of death must be returned to the U.S. Treasury per Federal regulations. The most common Federal payments include (but are not limited to) Social Security Benefits, Department of Veterans Affairs Benefits, U.S. Railroad Retirement Benefits, Office of Personnel Management (OPM) and Defense Finance and Accounting Center (DFAS). Any payments returned to any agencies must be settled directly with the agency. All Federal payments received after the date of death are subject to reclamation by the U.S. Treasury.

We often receive notices from the U.S. Government stating that a member is deceased. Once we receive notice, we will begin the settlement process on the decedent's account. If you have questions regarding a Federal payment benefits, please see the contact information for government agencies listed at the end of this guide.

Handling Loan Accounts

Tower will determine if the deceased member had Debt Cancellation coverage on their Tower loan and, if qualified, we will apply any proceeds towards their loan balance as of the date of death. Deposit account balances may also be applied to the outstanding loan balance(s). Surviving borrower(s), or the member's estate, are responsible for repaying any outstanding loan balances.

If you will have difficulty making loan payments, wish to surrender the property, or you would like to discuss payment options, please contact Tower at **866-538-6937**.

Mortgages & Home Equity Loans

Mortgage for Single Borrower Accounts. Please have the Successor in Interest contact us for further instructions at **866-538-6937**. You will need to provide the letter of administration, EIN number, copy of the personal representative's driver's license, and a certified death certificate to the Member Case Settlement Department before contacting the telephone number listed above.

Mortgage with a Co-borrower. If you are a co-borrower on a mortgage loan and are a Tower member, the mortgage loan will be transferred to your account.

Home Equity Line of Credit (HELOC). If the primary member is deceased, the co-borrower will need to requalify for the HELOC. If the co-borrower chooses to not re-qualify for the loan, and is a Tower member, then the loan will be transferred to their account for re-payment purposes only. If it is the Co-Applicant that is deceased, the primary will not be required to requalify for the HELOC loan.

Credit Cards

Primary Sole Applicant Is Deceased. If the deceased was a sole applicant on a credit card, the credit card account will immediately be closed and no interest will accrue on the date of death balance. Statements will continue to be issued until the balance is paid in full. The full balance may be collected from a deposit account by our Collections Department, if applicable.

Surviving Co-Applicant. If there is a co-borrower on a credit card, the account will immediately be closed. The co-applicant would need to re-qualify for a credit card, if he/she would like to continue using a Tower credit card. Statements will continue to be issued and sent to the cardholder on file, until the balance is paid in full.

Co-Applicant Is Deceased. If you are the surviving primary cardholder on a credit card account and the co-applicant is deceased, your credit card account will immediately be closed. The reason the account needs to be closed is that both the primary and co-applicant's income was used to qualify for the loan.

Auto Loans & Personal Lines Of Credit (PLOC)

Auto Loan and Single Ownership Accounts. Tower will contact the appropriate individuals to determine if the loan will be refinanced, paid off, or surrendered. Individuals may contact **866-538-6937** for additional information pertaining to the loan.

Auto Loan and Co-borrower. If you are a co-borrower, we will contact you to see if you would like to surrender the vehicle, continue to make payments or pay the remaining balance. If there is a balance and you are a Tower member, the auto loan will be transferred to your account. You will need to make monthly payments until the auto loan is paid in full.

Automatic Payments on Deceased Member Accounts. If automatic payments are deducted from the deceased member's external and internal account(s), Tower can assist you with updating payment instructions.

Personal Line of Credit (PLOC) and Single Ownership Accounts. Tower will close the PLOC. If there is a balance owed on the account, our Collections Department may collect the full balance owed from the decedent's share accounts.

Personal Line of Credit (PLOC) with a Co-borrower. Co-applicants will need to qualify for the PLOC on their own, in order to replace the existing personal line of credit. If they not interested in requalifying and there is a balance owed on the loan and they are a Tower member, the loan with the remaining balance will be transferred to their account for re-payment purposes only.



Next Steps: Planning Your Financial Future

We know planning for the future may seem overwhelming at this time. If you need advice about what to do with the disposition of accounts and assets, the experienced Wealth Advisors at Tower Wealth Management® can help. Tower Wealth Management is the financial services group located at Tower Federal Credit Union, and our services are exclusively available to Tower members. Whether your goals include retirement planning, investing, college education funding, generating income or tax reduction strategies, Tower Wealth Management can help you work toward reaching your short- and long-term financial goals.

Set up a complimentary, no-obligation appointment with a Wealth Advisor:

301-497-7062 • 800-787-8328, ext. 7062 • towerwealthmanagement.org

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Your Credit Union ("Financial Institution") provides referrals to financial professionals of LPL Financial LLC ("LPL") pursuant to an agreement that allows LPL to pay the Financial Institution for these referrals. This creates an incentive for the Financial Institution to make these referrals, resulting in a conflict of interest. The Financial Institution is not a current client of LPL for brokerage or advisory services.



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Government Agencies Contact Information

Maryland Letter of Administration information:

- <http://registers.maryland.gov/main/faq.html>

Social Security Administration (SSA):

- 800-772-1213
- www.ssa.gov

US Treasury:

- 202-622-2000
- www.treasury.gov

Office of Personnel Management (OPM):

- 202-606-1800
- www.opm.gov

Defense Finance & Accounting Center (DFAS):

- 888-332-7411
- www.dfas.mil

Internal Revenue Service (IRS):

- 800-829-1040
- www.irs.gov (for EIN-Employer Identification Number)



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