



Deceased Member Accounts

Your Guide for Account Settlement

Guide for Handling a Deceased Member's Accounts

We understand 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 one to three months.**

We 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 up until the account is closed in 90 days.

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:

Tower Federal Credit Union
ATTN: Member Case Settlement Department
7901 Sandy Spring Rd
Laurel, MD 20707

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 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 six months.

Accounts with a Single Surviving Joint Owner

Joint Owner Deposit accounts with a single surviving joint owner on all open share accounts will remain open up until the account is closed in 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:

- Some Digital Banking services (if you have the decedent's Digital 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 Digital 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

Multiple Joint Owners who are listed on open share accounts upon the decedent's death may have transaction rights and may be allowed full access to the decedent's account up until the account is closed in 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 owners' driver's licenses or state-issued picture IDs

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

- Some Digital Banking services (if you have the decedent's Digital 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 Digital Banking services and surviving joint owner's debit cards 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 in a timely manner, the remaining funds in the account may be escheated to the State of Maryland.

Accounts with Payable On Death (PODs)

Single Owner accounts with designated Payable on Death payee(s) will be closed in 90 days. 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 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 in a timely manner, 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 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
- 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).

For deceased accounts with an open IRA account at Tower, beneficiaries will receive a **Beneficiary Payment Election Form** (Form 2321) in the mail. The Beneficiary Payment Election Form comes from Ascensus.

Ascensus

PO Box 2917

Clinton IA 52733-2917

Payment Options listed on Beneficiary Payment Election (Form 2321):

- 1). Lump sum
- 2). Transfer to my IRA at the organization named below
- 3). Transfer the assets into an Inherited IRA at a different financial organization
- 4). Inherited IRA with scheduled payments at current organization
- 5). Inherited IRA without scheduled payments at current organization

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

When Tower Federal Credit Union receives the Beneficiary Payment Election (Form 2321), Tower Federal Credit Union will then distribute the assets according to the payment option method you selected. For questions or for assistance completing the Beneficiary Payment Election form, please contact Tower Federal Credit Union at **301-497-7000**.

For additional information about Inherited IRAs, see the brochure titled "Understand your beneficiary distribution options."

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 Service (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 on page 9 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, 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 requalify 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 are not interested in requalifying, 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.

Government Agencies Contact Information

Maryland Letter of Administration information:

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

Social Security Administration (SSA):

- 800-772-1213
- ssa.gov

US Treasury:

- 202-622-2000
- treasury.gov

Office of Personnel Management (OPM):

- 202-606-1800
- opm.gov

Defense Finance & Accounting Center (DFAS):

- 888-332-7411
- dfas.mil

Internal Revenue Service (IRS):

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



Let Us Help During This Difficult Time

We know life may seem uncertain and even overwhelming right now. If you need advice about how best to handle your deceased loved one’s accounts and assets, and plan for your family’s financial future, let Tower Wealth Management help you navigate this difficult time.

We offer:

- Experienced, dedicated wealth advisors who are with you every step of the way
- Estate administration support and resources
- Trust account investment management
- Insurance policy review and support
- Account titling and beneficiary review
- Estate attorney and tax accountant referrals upon request

Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. Tower Federal Credit Union and Tower Wealth Management **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using Tower Wealth Management, and may also be employees of Tower Federal Credit Union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, Tower Federal Credit Union or Tower Wealth Management. Securities and insurance offered through LPL or its affiliates are:

Not Insured by NCUA or Any Other Government Agency	Not Credit Union Guaranteed	Not Credit Union Deposits or Obligations	May Lose Value
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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.

Please visit <https://www.lpl.com/disclosures/is-lpl-relationship-disclosure.html> or scan the QR code on the right for more detailed information.





Set up a complimentary, no-obligation appointment with a wealth advisor:



Appointments available both virtually or in-person at your local branch.



301.497.7062 • 800.787.8328, ext. 7062



towerwealthmanagement.org