A GUIDE TO
Settling Your
Loved One’s Accounts
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Introduction
Losing a loved one can be a difficult experience; there are many details to take care of during this challenging time. Members 1st Federal Credit Union (“Members 1st”, “we” or “us”) is here to assist you in connection with any of your loved one’s assets with Members 1st and will do our best to simplify the process of handling your loved one’s account(s) with us. This guide will provide you with general information about settling your loved one’s financial affairs as they relate to assets and debts of Members 1st, as well as providing general information related to the probate process and the duties of an executor or administrator.

You may notify us of a loved one’s passing using any of the methods below.
Phone: (800) 283-2328, ext. 6022, Monday through Friday
Fax: (717) 795-6022
Mail: Members 1st Federal Credit Union
PO Box 40
Mechanicsburg, PA 17055
Attn: Deposit Operations
In Person: Please visit any of our branch locations during business hours.

Estate Settlement Services

Once contacted, our Estate Settlement Specialists will review your loved one’s relationship with Members 1st and work with you to determine the necessary steps to settle the accounts. They will assist you through the process and answer any questions related to your loved one’s assets with Members 1st. Our Estate Settlement Specialists can be reached at (800) 283-2328, ext. 6022. Please note that Members 1st’s Estate Settlement Specialists are not a substitute for qualified legal, tax and financial advice, and you should retain your own qualified advisors in these areas to fully protect your rights in connection with this process.

What is Probate?

Probate is the process by which the court authenticates and validates a decedent’s will. This ensures the decedent’s wishes are carried out and the appropriate heirs receive the assets of the deceased. The probate process begins by formally requesting that the court open an estate for your loved one.

Do I have to probate the will? In all likelihood, yes. Generally, if your loved one owned any assets solely in his or her own name that do not have a specific beneficiary

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designation, probate will be necessary. A deposit account with a financial institution owned solely in the name of the deceased individual is generally a "probate asset". As a result, Members 1st will require you to provide specific documents evidencing the authority for you to transfer the assets with Members 1st owned by your loved one. There may be an exception to this rule if the amount on deposit with us is below a certain dollar amount. You should discuss this with our Estate Planning Specialists. If the decedent had property or accounts with other financial institutions, these institutions may or may not have the same requirements. Even if there is not a will, probate will still be required if your loved one owned any probate assets. You should consult with qualified legal counsel specializing in estate administration to confirm the necessity of probate.

**How do I get a will probated?** Generally, you would need to take the death certificate and the decedent's last will and testament to the courthouse of the decedent's last registered place of residence. The court will validate the will and appoint the person designated in the will as executor of the estate. If there is no will, or if the person named as the executor in the will cannot or does not wish to serve as executor, the court will appoint an administrator for the estate (usually a family member). The executor or administrator is known as the "personal representative" of the estate. The court will also issue a document that opens the estate, known as a "short certificate." This document will often be required by third parties to evidence the existence of the estate and the authority of the personal representative to act on the estate's behalf. For purposes of this brochure, we have assumed that you are the personal representative of the estate and are thus authorized to act on behalf of your loved one's estate. If you are not the documented personal representative of your loved one's estate, appointed pursuant to the probate process, you will not have the authority to act on behalf of your loved one's estate with respect to assets held at Members 1st.

**What are the duties of a personal representative?** There are several duties that are carried out by the personal representative of any estate. We recommend consulting an attorney if you have any questions regarding these duties. Below is a list of some of the typical duties for a personal representative that may or may not apply in your situation.

- Filing the will at the courthouse to initiate probate.
- Requesting copies of the death certificate. Most institutions will require an original death certificate; make sure you get enough copies. Veterans may be eligible for free copies of death certificates.
- Retitling any property that is in the decedent’s name in the name of the beneficiary entitled to such asset (vehicle, house, land, etc...)
- Closing any bank accounts at financial institutions and transferring the assets to an estate account.
- Closing any safe deposit boxes and complying with regulations applicable to such process.
- Filing any insurance claims.
- Filing all necessary federal and state income and death tax returns, and ensuring the applicable taxes are paid.
- Ensuring all debts are paid.
- Distributing funds to beneficiaries according to the decedent’s will.

**Where do I go to probate the will?** It is best to go to the courthouse in the county where the decedent resided. The court may require other documents during this process. You may want to contact the courthouse before going in to ensure you have all the needed documentation. Below is a list of phone numbers for the local courthouses.

- Adams County (717) 337-9806
- Berks County (610) 478-6600
- Cumberland County (717) 240-6345
- Dauphin County (717) 780-6500
- Franklin County (717) 261-3805
- Lancaster County (717) 299-8242
- Lebanon County (717) 228-4415
- Lehigh County (610) 782-3170
- Perry County (717) 582-2131
- York County (717) 771-9607

**Estate Accounts**

**Can I open an Estate account at Members 1st?** Yes. Often, to successfully administer an estate, the personal representative will need to establish a deposit account in the estate's name. Members 1st offers estate accounts with many benefits to make the process easy for the personal representative. To open an estate account with Members 1st, you will need to provide the death certificate, short certificate, Employer Identification Number (EIN), and your government issued photo ID. The personal representative can obtain an EIN, which is a tax identification number for the estate for tax reporting purposes, by submitting an online application to the IRS at www.IRS.gov. We offer savings accounts with a minimum balance of $5.00, free checking accounts with no minimum balance requirements, checks, and online access. The personal representative can choose to earn dividends on the funds in the estate. The personal representative may visit any of our branch locations to set up an estate account. If you are unable to come to a branch, you may contact us by phone at (800)-283-2328 ext. 6022 and we will mail you the paperwork that you will need to sign, provided that you are the authorized personal representative of the estate.
Notification of Agencies

You should consider reporting your loved one’s passing to certain organizations, companies and government agencies. Consider notifying the following, as appropriate:

**Government Agencies**
- Social Security Administration
  - (800) 772-1213
- Office of Personnel Management
  - (888) 767-6738
- Veteran’s Administration
  - (800) 827-1000

**Office of Personnel Management**
- (888) 767-6738

**State Department of Motor Vehicle**
- Pennsylvania: (717) 412-5300

**Financial Institutions**
- Banks, Credit Unions
- Credit Card Companies
- Mortgage Companies
- Financial Planners
- Pension Providers

**Insurance Companies**
- Life Insurance Companies
- Auto/Home owner Insurance
- Health, Medical, Dental Insurance
- Disability Insurance

**Credit Reporting Agencies**
- Instruct to list all accounts as: “Closed. Account Holder is deceased.”
- Experian
  - (888) 397-3742
- Equifax
  - (800) 525-6285
- Trans Union
  - (800) 680-7289

**Memberships**
- For $1.00 fee you can list the decedent on the Deceased Do Not Contact List by navigating to: [www.ims-dm.com/cgi/ddnc](http://www.ims-dm.com/cgi/ddnc)

Navigating Your Financial Future

Members 1st offers complimentary financial advice through Members 1st Investment Services. The Financial Advisors may assist you and other beneficiaries of your loved one’s estate develop a plan for your future and answer questions about stocks, bonds, mutual funds, life insurance, and estate planning. To set up a free consultation appointment, please contact us at (800) 283-2328, ext. 5592, or e-mail us at investments@m1invest.com.

Securities offered through LPL Financial, member FINRA/SIPC. Insurance products offered through LPL Financial or its affiliates. Not NCUA Insured | Not Credit Union Guaranteed | May Lose Value

Treatment of Specific Assets of your Loved One Held by Members 1st

Once an estate is established, the personal representative starts the process of transferring the assets of the estate and settling the debts owed by the estate. The mechanics of how this will happen will depend on the specific type of asset or debt involved. What follows are general rules and processes related to common assets held and debts owed.

Savings and Checking Accounts

**How long will the accounts remain open when a member dies?** We generally recommend six months to close and transfer accounts, although this may vary depending on the specifics of the estate. You should also consult a tax professional when determining the best time to close the accounts. Please note that Members 1st will continue to report tax information on the decedent’s account and in the decedent’s tax identification number to the Internal Revenue Service (IRS) as required. This tax reporting may extend the period of time in which you will need to file and/or pay taxes in the decedent’s name if the account is not closed by the end of the tax year.

**What happens when a joint owner dies?** If a joint account holder dies, we will need a death certificate to remove them from the account. A short certificate is not required. If the surviving joint owner is the primary account holder, he or she may continue to use the account as he or she normally would. If the surviving joint account holder is not the primary account holder Members 1st will assist the surviving member-eligible joint account holder in opening a new account in his or her name.
Can a joint owner continue to write checks on the account of a deceased member? Yes, joint owners may continue to write checks on the account. If the account has an agent designated pursuant to a Power of Attorney, the effectiveness of the Power of Attorney ceases as of the date of death in Pennsylvania, therefore the agent may not conduct any transactions pursuant to the Power of Attorney on behalf of the decedent after the date of death.

Can I still use ATM or Debit cards? Joint owners may continue to use cards in their name. Cards in the decedent’s name are closed when Members 1st is notified of a death.

What documents do I need to provide to Members 1st?
- Death certificate
- Short certificate if there is no joint owner (unless the amount on deposit is below a certain amount – ask your Estate Settlement Specialist)
- The driver’s license or government issued ID of the personal representative

How do I close the account(s)? Accounts may be closed by the person with proper authority in person at any Members 1st branch or over the phone with our Estate Settlement Specialists at (800) 283-2328, ext. 6022. If there is no joint owner or assigned beneficiary on the account(s), the funds in the account(s) will be payable to the estate. The personal representative will distribute such funds pursuant to the will, or, if there is no will, in accordance with applicable law.

What do I do if there are direct deposits or auto withdrawals? Members 1st will continue to pay items authorized by the decedent until 10 days after the date of death. For direct deposit from a federal government agency (such as Social Security, Civil Service, Veterans Administration, and others) received on or after the decedent’s date of death, Members 1st is required to return the funds to the originating entity. Members 1st will continue to accept all other direct deposits until an estate has been established or the decedent’s account has been closed. Once an estate account has been opened, you should consider notifying the companies to have any deposits directed to the new account. If you are a joint owner on the account, you may open a new account in your name if you are not already a member and you are eligible for membership. Companies will need to be notified of the new account number for your deposits or withdrawals.

Will there still be periodic statements issued on the decedent’s account? Statements will be provided to the joint owner by mail or through online banking at the preference of the joint owner. If there is no joint owner, statements will be mailed to the personal representative, once he or she has been appointed.

Certificates of Deposit

How do I close certificates of deposit when a member dies? Certificates of deposit will be payable to a joint owner or the named beneficiary. A joint owner on a certificate may transfer the certificate to his or her own account, keeping the same interest rate and maturity date or redeem the certificate without penalty. If there is no joint owner or beneficiary, funds will be payable to the estate. The personal representative will distribute such funds pursuant to the will, or, if there is no will, in accordance with applicable law.

Individual Retirement Accounts (IRA) and Health Savings Accounts (HSA)

How do I close an Individual Retirement Account or Health Savings Account? If there is a beneficiary named on the IRS or HSA, you will need to provide a death certificate to Members 1st. If there are no named beneficiaries, we will require a short certificate. In the absence of named beneficiaries, IRA and HSA funds are payable to the decedent’s estate in accordance with the account agreement.

What are my options for the IRA or HSA Funds? Our IRA Specialists will provide the beneficiary or personal representative of the estate with paperwork disclosing their options on accessing the funds. The beneficiary or personal representative will choose an option and complete the paperwork. Once paperwork is signed and received by an IRA Specialist, the funds will be distributed according to the option selected by the beneficiaries or personal representative.

As you consider IRA payment options, please review the beneficiaries on record for your own IRA as now may be a good time to update or change those records.

Safe Deposit Boxes

Special rules apply when accessing the safe deposit box of your loved one after his or her death. Our Estate Settlement Specialists can assist you with this process.
TREATMENTS OF DEBTS OWED BY YOUR LOVED ONE TO MEMBERS 1ST

Consumer Loans

Members 1st offers debt protection on loans during the application process. Upon notification of death, our Estate Settlement Specialists will determine if there was coverage on any outstanding loans. If there is debt protection coverage in place, see the “Debt Protection on Loans” section below for more details.

What happens to unsecured loans?

• If there is a co-borrower, the co-borrower of an unsecured loan remains responsible to pay the loan if the other borrower passes away.
  1. The co-borrower may open a new membership account as primary owner, if he or she is not already a member, and have the loan transferred to his or her new account.
  2. The co-borrower may transfer the loan to an existing membership account that he or she is listed as primary owner.

• If there is no co-borrower, the decedent’s estate is responsible to pay the loan. Members 1st has the right to offset funds in the account holder’s name to cover outstanding unsecured loan balances. Also, if the loan is not paid, in addition to the rights Members 1st has under the law in connection with non-payment, Members 1st may also file a claim against the decedent’s estate for the unpaid balance. The claim will then be eligible to be paid out of the proceeds of the decedent’s estate.

What happens to vehicle loans?

• If there is a co-borrower, the co-borrower of a vehicle loan remains responsible to pay the loan if the borrower passes away.
  1. The co-borrower may open a new membership account as primary owner, if he or she is not already a member, and have the loan transferred to his or her new account.
  2. The co-borrower may transfer the loan to an existing membership account that he or she is listed as primary owner.

• If there is no co-borrower, the decedent’s estate is responsible to pay the loan. Members 1st may have the legal right to offset funds in the account holder’s name to cover outstanding vehicle loan balances. If the loan is not paid, in addition to the rights Members 1st has under the law in connection with non-payment, which may include the repossession of the vehicle, Members 1st may also file a claim against the decedent’s estate for the unpaid balance. The claim will then be eligible to be paid out of the proceeds of the decedent’s estate.

• If there is no co-borrower on the loan, the interested parties may opt to have the vehicle voluntarily repossessed. Members 1st will then sell the vehicle at auction and the proceeds will be applied to the outstanding loan balance. Any remaining balance is the responsibility of the estate. If there are proceeds from selling the vehicle, after the costs and fees associated with collection and repossession have been paid, the surplus will be payable to the deceased name as listed on the account that had the vehicle loan.

How do I transfer the title of the vehicle? If there is a co-borrower on the loan, who is also a co-owner of the vehicle, he or she may retitle the vehicle in his or her name. If the vehicle is not paid off, the co-borrower will need to open an account in his or her name and transfer the loan to the new account. Members 1st will send the title to a qualified notary of the member’s choice to have the decedent’s name removed from the title. If there is no co-borrower on the loan or title, the estate will need to be probated and a personal representative will need to be appointed in order to retitle the vehicle in the name of the appropriate beneficiary.

Credit Cards

Should I continue making payments on the credit card? Members 1st will stop interest from accruing after the date of death. We will cancel any automatic payments scheduled in connection with the card.

• If you are a co-borrower on a VISA credit card, you will remain responsible to pay the balance. You may establish new automatic payments if you so choose.

• If you are an authorized user who is not obligated to repay the debt associated with the card, you may not be liable for any remaining balance on the card.

• If the VISA is only in the deceased’s name, the estate is responsible to pay the remaining balance. If the VISA is not paid, in addition to the rights Members 1st has under the law in connection with non-payment, Members 1st may also file a claim against the decedent’s estate for the unpaid balance. The claim will then be eligible to be paid out of the proceeds of the decedent’s estate.

Will there still be monthly statements issued for the card? The VISA account statements will be mailed to the existing address on file, unless changes are made by the personal representative.

How do I close the card? Members 1st will close a credit card that is only in the deceased’s name as soon as we learn of a person’s death. Any cards in the deceased’s name should be destroyed. Members 1st will shred any cards for you if you bring them to one of our branch locations. If you are a co-borrower on a credit card, you will need to apply for a credit card in your own name and be approved to keep the credit limit. If you are approved, we can transfer the balance to your new card on your Members 1st account and close the old card.
Do I need to refinance the loans? If you are a co-borrower on a home equity loan and mortgage, and you owned the property jointly with the deceased, you do not have to refinance. You will need to open an account in your name, and we will transfer the loan to your new account number.

Who is responsible to pay the loan if there is no co-borrower? Our Collection Specialists will work with the personal representative of the estate. The personal representative may sell the property and use the proceeds to pay off the loan. The personal representative may request additional time to sell the property from our Collections Department. We may grant this request at our discretion, depending on your specific facts and circumstances.

What happens to a line of credit? Line of credit loans will be closed and no further advances will be permitted, if the decedent is the only borrower. If there is a co-borrower, the co-borrower may continue to request and receive advances on the line of credit, as permitted by the loan documents.

Debt Protection on Loans

What is Debt Protection? Our debt protection service is designed to help relieve financial stress and worry during times of uncertainty. If your loved one selected life coverage under the debt protection plan for their loan(s), the outstanding balance of the loan(s) may be covered.

How do I know if there is debt protection on a loan? You may contact our Estate Settlement Specialists at (800) 283-2328, ext. 6022. Once notified of a death, they will research all the loans the decedent had with us to determine if debt protection was purchased. If you have your loved one’s loan documents, you may review the debt protection page to see if your loved one selected this service.

What do I do to get the loan paid off? If there is debt protection on the loan, you should provide a death certificate to Members 1st. We will file the claim with the debt protection company on your behalf. Minnesota Life, the debt protection company, will contact you via postal mail. They will send you a form to sign so they can obtain medical records during their review of the claim. If the claim is approved, they will send the payment to Members 1st which will be applied to the outstanding loan balance.

Will the debt protection pay off the loan? The debt protection may pay the remaining balance as of date of death up to a maximum payout of $75,000.00. You may refer to the Debt Protection agreement in your loved one’s loan documents for full disclosure details.

Contact us

Please know your credit union associates are here to help you with settling your loved one’s account. Contact us with any questions you may have using any of the methods below.

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