

YOUR GUIDE TO

ESTATE SETTLEMENT



Y12FCU.ORG



Your Guide to **ESTATE SETTLEMENT**

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When a loved one passes away, you are often forced to deal with emotional and financial issues at the same time.

Although the initial feelings of confusion over how to handle an estate can seem overwhelming, you do not have to navigate through the financial maze by yourself.

This guide was created to help you through this difficult time by providing you with general information about settling your loved one's financial affairs as they relate to assets and debts of Y-12 Federal Credit Union. It will also provide general information related to the probate process and the duties of an executor or administrator.

PLEASE CONTACT US FOR HELP WITH THIS PROCESS:

 (865) 482-1043 or (800) 482-1043

 **Y-12 Federal Credit Union**
P.O. Box 2512
Oak Ridge, TN 37831

 <https://www.y12fcu.org>

 Visit one of our convenient branch locations:
<https://www.y12fcu.org/branch-locations>

WHAT IS PROBATE?

Probate is the process by which the court oversees the administration of the deceased's estate. It is designed to protect the family and ensure that the persons who are entitled to receive the assets do receive them. It also provides a process to ensure that all debts and taxes are paid.

It is best to consult an attorney to determine whether probate is necessary, and if so, what property is or is not subject to probate. If the deceased had a Will, the court will use the Will to determine who is to be appointed executor or personal representative of the estate. If there is no Will, the court will appoint a personal representative, usually a spouse or relative. If probate is needed, it is best to start the probate process as soon as you are able.

This may be a trying time for you, but it is best to settle these matters as quickly and accurately as possible. The size and complexity of the deceased's estate, plus state probate laws, will determine how long the process will take. If the estate is large or complex, the probate process can take months or years to complete. On the other hand, the probate process may move quickly or it may not be required depending on the size and particular assets of the deceased's estate.

DUTIES OF THE PERSONAL REPRESENTATIVE

A personal representative (called an executor) is responsible for reporting the death to all creditors of the estate and give them an opportunity to file a claim against the estate. The

personal representative will also collect and provide information for the estate in order to consolidate assets, resolve liabilities, and disburse any remaining funds according to the decedent's wishes. 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. (The funeral home that handled the arrangements can help with acquiring these copies).
 - **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 all bank accounts** at financial institutions and transferring the assets to an estate account.
 - **Closing all safe deposit boxes** and complying with regulations applicable to such process.
-

If you are the designated personal representative of the estate, you will be able to access information on the decedent's account as long as there are no other surviving owners on the account. As the personal representative for the estate, you will be able to request and obtain information on the account after you have provided any documents that may be required. You will not be permitted to transact on the account except to close it.

If you need an account in order to transact on behalf of the estate, please speak with a member service consultant about opening an estate account.

DEATH CERTIFICATE AND OTHER DOCUMENTS

Why do I need to provide a death certificate?

We will need a certified copy of the death certificate in order to confirm the member's identity. The death certificate is the legal proof we need to confirm the passing of your loved one.

Can I send a photocopy of the death certificate?

No, we are required to obtain a certified copy of the death certificate.

Where do I obtain the death certificate?

In most cases, you will obtain the death certificate from the funeral home where you make disposition arrangements. Otherwise, you would obtain it from the county or state vital records office where the death occurred.

How should I deliver the death certificate to Y-12 Federal Credit Union?

You may send the certified copy of the death certificate to Y-12 Federal Credit Union by bringing it into any branch, or sending it by mail to: **Y-12 Federal Credit Union; Attn: Deposit Operations; P.O. Box 2512, Oak Ridge, TN 37831.**

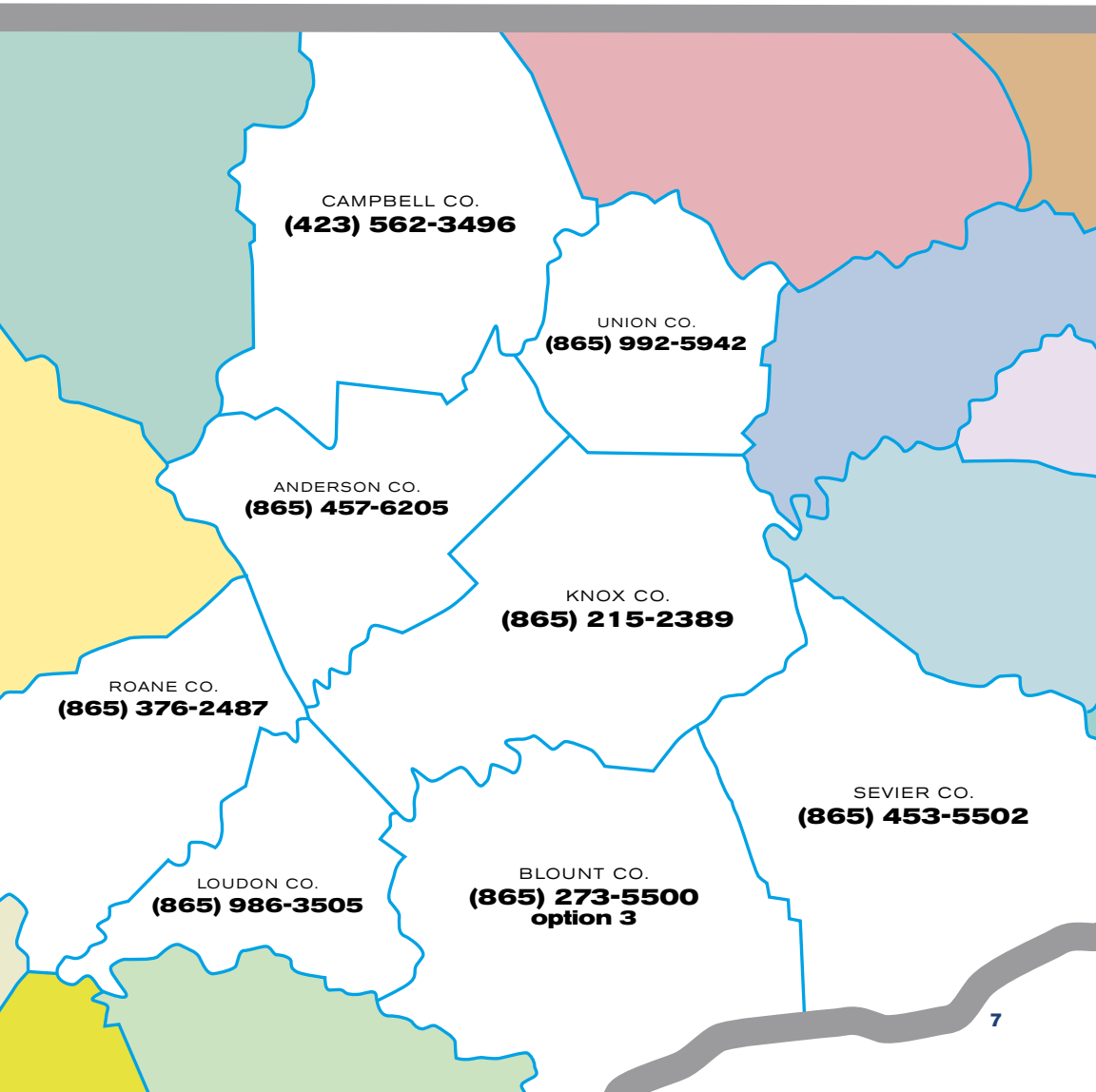
What other documents might be required?

Each situation and account may be slightly different, but in addition to a certified copy of the death certificate, you may be required to provide: Letters of Testamentary, Letters of Administration, or claiming affidavits. In some cases, other documents may be required, such as trust documents, Employer ID Number (EIN) for the estate, or proof of name change.

PROBATE LOCATIONS

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 of local courthouses in our service area:



SOCIAL SECURITY & OTHER FEDERAL BENEFITS

In order to receive or stop Social Security benefits, the Social Security Administration should be notified as soon as possible when a person dies. In most cases, the funeral director will report the person's death to Social Security, so you may need to furnish the funeral director with the deceased's social security number so they can make the report.

If you choose to notify Social Security yourself, you can call **(800) 772-1213** from 7 a.m. to 7 p.m. Monday through Friday or visit their website www.ssa.gov for helpful information.

There are two types of benefits that you may be entitled to: a lump-sum death payment and/or income benefit. Eligibility is determined by the Social Security Administration.

Most federal benefits end immediately upon death, so in most cases any funds from federal benefit agencies that were deposited after the date of death will be withdrawn and returned to the agency. You will need to make alternate arrangements with the federal agency if you believe that you are entitled to all or part of these funds. If such arrangements are made, they will be reissued to you directly by the agency.

OTHER CONSIDERATIONS

Some common items that you may need to address include: any outstanding balances for home loans, vehicle loans, credit cards, safe deposit boxes; or automatic payments to cancel, e.g., water, electricity, gas or garbage; and notifying Social Security or any other agency or business sending direct deposits.



ESTABLISHING AN ESTATE ACCOUNT

Once a personal representative or an administrator of the estate has been named, Y-12 Federal Credit Union provides an efficient solution for holding estate assets in a designated account to keep them separate from the personal representative or administrator's own personal accounts. Most often the deceased's assets are deposited into a savings account and transferred as needed to a checking account for the payment of taxes, debts, and other obligations during the estate settlement process.

In order to establish an Estate Account with Y-12 Federal Credit Union, you will need to provide:

- A certified copy of the death certificate
- Letters of Testamentary or Letters of Administration
- An Employer ID Number (EIN) for the estate.

The EIN can be obtained on the www.TN.gov website. An Estate Account should be established if you are still receiving checks in the deceased person's name.

TREATMENT OF SPECIFIC ASSETS HELD AT Y-12 FEDERAL CREDIT UNION

How long should the affected accounts remain open?

Ideally, accounts should be closed or have the decedent removed as soon as possible. Please notify Y-12 Federal Credit Union if you are delaying closure or resolution of accounts upon legal advice. We try to resolve these accounts within a 6-month period from the time we are informed of the death.

How are accounts transferred after an account owner passes?

Each situation and account may be different, so the answer will depend upon that situation. In general, if you are already a joint owner on the account, you will be able to assume full control of and responsibility for that account. In some cases, the account may need to be closed.

How long will it take for funds to be released?

In most cases, funds will be released as soon as Y-12 Federal Credit Union has received all required documents. However, some claiming affidavits mandate waiting periods.

Who is allowed access to information about the affected accounts or loans?

The joint owner or co-borrower is allowed to access information about the affected accounts or loans. If there are no surviving owners or borrowers on the account, the personal representative will be permitted to request information about the affected accounts or loans after providing required documentation.

I have a Power of Attorney; am I allowed to access or receive information on the affected accounts?

No, in the state of Tennessee, the Power of Attorney is terminated by the death of the principal (the person granting the powers). This is true for Powers of Attorney in most other states as well and is usually specified in the Power of Attorney document.

If all the affected accounts are in the decedent's name only, how can they be accessed?

Accounts that were only in the decedent's name must be closed and cannot be used for transactions.

SHARE AND CHECKING ACCOUNTS

What will happen to direct deposits coming to Y-12 Federal Credit Union?

If a direct deposit is received from a federal agency, such as Social Security, on or after the member's date of death, we are required to return the funds. If you feel you are entitled to any funds that have been returned, please contact the Social Security Administration (SSA) office at **(800) 772-1213** and have the decedent's Social Security Number available.

For all other direct deposits, you will need to contact the agencies or companies depositing the funds to determine what is required. Funds may need to be returned to the paying party.

How do I find out if the member had automatic payments deducted from their account?

The joint owner of an account or the executor of the estate,



upon providing the required documents, may request statements to help determine if there were automatic payments being deducted from the decedent's account.

How do I stop or change automatic payments from an account?

In most cases, automatic payments would need to be stopped in the same way they were originally established. For example, if the payment was set up with the vendor to automatically pull the funds from the account on a specific day each month, you would need to contact the vendor in order to discontinue the payment. If you do not want to stop the payment, but only change it to come from a different account, please call or come into a branch to speak with a representative about whether our product **ClickSWITCH** is right for you.

If I am a joint owner of the affected account can I still write checks and use my ATM or Debit Cards to access the account?

Yes, as long as the account is classified as “Joint—With Rights of Survivorship” and there are funds available in the account. You will have the option of using your checks and your card(s) until

the account is closed or retitled. We automatically cancel the decedent's cards when we are made aware of the death.

Will there still be 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.

SHARE CERTIFICATES

Share Certificates will be payable to the joint owner or the named beneficiary. The joint owner on a certificate may transfer the certificate to their 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 made payable to the estate. If funds need to be withdrawn from a share certificate due to, or following, the death of one of the certificate holders, any early withdrawal penalties will be waived.

INDIVIDUAL RETIREMENT ACCOUNTS (IRA)

The IRA claim process can begin once Y-12 Federal Credit Union has obtained a certified copy of the death certificate. Once you have provided this, the designated beneficiary will receive a Beneficiary Payment Election form and packet by mail from the credit union within 2 weeks. After these forms have been completed and returned, the disbursement will happen according to the instructions provided on the form, typically in 1-2 weeks.

MORTGAGE OR HOME EQUITY LOAN

If there is a co-borrower on a mortgage, the co-borrower will remain responsible for paying the loan if the other borrower passes away. If there is no surviving co-borrower, Y-12 Federal Credit Union will look to the estate to make arrangements to pay the mortgage loan in full. If there is a surviving co-borrower on a Home Equity Loan, including a Home Equity Line of Credit, the loan will proceed according to the outline in the original loan agreement unless further negotiation is necessary. If there is no surviving co-borrower, Y-12 Federal Credit Union will cancel all lines of credit, and look to the estate for making arrangements to pay the loan in full.

CONSUMER LOANS

Y-12 Federal Credit Union offers debt protection on loans during the application process. Upon notification of death, we will determine if there is coverage on any outstanding loans.

If there is a joint owner/borrower, are they now responsible for the loan?

Yes, the co-borrower continues to be responsible for repayment of the loan. If you have questions whether the member purchased debt protection covering the death of a borrower, please contact us.

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. If there is a co-borrower on an unsecured line of

credit, the unsecured line of credit will be re-evaluated and continued access to the line of credit will be approved on a case-by-case basis.

If there is no co-borrower, the decedent's estate is responsible to pay the loan. Y-12 Federal Credit Union has the right to offset funds in the account holder's name to cover outstanding unsecured loan balances.

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.

If there is no co-borrower, the decedent's estate is responsible to pay the loan. Y-12 Federal Credit Union allows family members 30 days to refinance or payoff the loan. After this time frame, the credit union can ask for the collateral back. The personal representative will need to apply for the loan using the Letters of Testamentary or the executor paperwork for the estate and allow underwriting to determine the decision.

How are delinquent loans treated on a single ownership account?

Y-12 Federal Credit Union will file for repossession of any collateral within 60 days of being delinquent. Any other debts that are reported delinquent for 180 days will then be charged off.

Please contact our Asset Recovery Team with any questions at (865) 340-4587.

SAFE DEPOSIT BOX

If a lessee is listed on the safe deposit box contract, they may obtain access to the box. If no lessee is listed, the duly qualified executor or administrator of the lessee may have access to and remove contents from the box. For the specific purpose of searching for a last will and testament, any documents related to burial plots or burial instructions, or life insurance policies, the credit union may grant access to a family member or person named in a court order. If no one has requested access to the box within 60 days, the surviving spouse or next of kin may be granted access to remove the contents of the box. In some cases, a credit union witness and inventory of the contents is required.

TRUST ACCOUNTS

Trust Accounts will be handled by any surviving trustees, or if there are no surviving trustees, the successor trustee(s). Trust Accounts are not part of the probate estate and are not accessible to the personal representative.

BUSINESS ACCOUNTS

What if the decedent is a sole proprietor with a business account?

Sole Proprietor accounts are treated like individual accounts with one owner and will go by the same guidelines as listed above. If the decedent was a signer on a corporate account, you may need to seek legal advice. Our business team is also available to answer your questions.



PLANNING YOUR FINANCIAL FUTURE

Y-12 Federal Credit Union offers complimentary financial advice through Y12 Investment Partners.* Our Financial Advisors may assist you and other beneficiaries of your loved one's estate to 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, please call us at (865) 482-4301, or visit us at 501 Lafayette Drive, Oak Ridge, TN 37830.

**Securities and insurance products are offered through Cetera Investment Services LLC (doing insurance business in CA as CFG STC Insurance Agency LLC), member FINRA/SIPC. Advisory services are offered through Cetera Investment Advisers LLC. Cetera is not affiliated with the financial institution where investment services are offered. Individuals affiliated with Cetera firms are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.*

INVESTMENTS: • Are not FDIC/NCUSIF insured • May lose value • Are not financial institution guaranteed • Are not a deposit • Are not insured by any federal government agency.

TYPES OF ACCOUNT OWNERSHIP

SINGLE OWNERSHIP

There is only one designated owner on the account. There may be designated beneficiaries on this type of account.

JOINT OWNERSHIP OR JOINT WITH RIGHT OF SURVIVORSHIP

There is more than one designated owner on the account. Both/all owners on this type of account have full ownership and authority over the whole account, and legal ownership transfers to the surviving owner(s) immediately upon the passing of the other. Beneficiaries may be designated on this type of account, but would only have access to the funds after all owners have passed away. All joint accounts with Y-12 Federal Credit Union are Joint with Right of Survivorship unless specifically indicated otherwise in writing.

TRUST

The account is set up in the name of the trust and access is governed by the trust documents.

CUSTODIAL OR FIDUCIARY ACCOUNT

Account managed by one person on behalf of another. Access to these accounts is governed by the legal document and applicable laws for the specific situation.

ESTATE

This account is a fiduciary account set up by an executor to aid in managing assets of the estate.



The estate settlement process can be complex. Although we have made every effort to provide complete information in this guide, Y-12 Federal Credit Union cannot provide legal, tax, accounting, or investment advice. You may wish to contact a licensed attorney or tax advisor for information that pertains to your specific circumstance.



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