

Frequently Asked Questions

Am I personally responsible for my deceased loved one's debts?

Unless you are a joint owner on the account(s), you aren't personally responsible; however, the estate may be.

How does Northwest Federal Credit Union handle accounts of the deceased?

We will send a letter to the executor of estate explaining our process, which includes first settling any outstanding Credit Union debts before funds can be released. Here is a typical scenario:

- The Northwest Federal account was established with husband as the primary owner and wife as joint owner.
- If/when the husband dies, all individual debts in his name would need to be paid off before funds could be released to the surviving spouse.
- Let's say the husband had a Northwest Federal credit card in his name only with \$5,000 balance and there was also a joint savings account with a \$10,000 balance. Although the surviving spouse isn't personally responsible for his credit card debt, Northwest Federal does place a hold on the joint savings account for the \$5,000 credit card debt before the remaining \$5,000 in savings can be released.
- Keep in mind, if the husband had purchased debt protection insurance when opening his credit card account, Northwest Federal would first file a claim with the insurance provider once we've received a copy of the death certificate. Provided the insurance company pays the claim as expected, we wouldn't withhold funds since the credit card debt would be settled with that claim.

Can I keep the account as is?

No. The account of your deceased loved one needs to be closed within six months of his/her passing. This is true for all types of accounts (personal savings, trusts, checking, IRAs), even if you were joint on the account. You can, however, establish new accounts in your name. If you aren't yet a Northwest Federal member, you will be offered the opportunity to establish membership with us.

What about a check that's payable to the deceased? Can it be deposited into the account?

No. Checks made payable to the deceased cannot be cashed. The check either needs to be deposited into an estate account or reissued into the name of the surviving spouse or other account holder.

What happens with recurring deposits to the deceased account?

Northwest Federal will contact the U.S. Treasury Department for Social Security payments and the U.S. Office of Personnel Management for recurring deposits and return checks to these agencies. We ask that you notify Social Security and other agencies as needed in order to discontinue recurring payments to the Credit Union.

If I'm a joint owner, can I still use the account?

You can still use the account for up to six months after your loved one has passed away. After six months, the account will need to be closed; however, you can open a new account with us in your name.

What documents do you need to close the account?

You will need a Credit Union Account Close-out Form and the Death Certificate (original or certified copy). Additional documents may be necessary on a case-by-case basis after we review the accounts for joint owners, beneficiaries, where domiciled, and other factors.

My spouse had an IRA at the Credit Union. What happens to the IRA funds in his/her name?

IRA funds are paid out to the beneficiary on file in the IRA documents. If no beneficiary was named, money is paid to the estate.

What happens to an auto loan? Am I able to keep the car?

If you're not yet a member of Northwest Federal, you'd first need to establish membership. Then, you would need to apply and qualify for the loan in order to keep the automobile. This assumes you are awarded possession at probate.

I'm joint on my deceased spouse's credit card account. Can I continue to use the credit card?

Yes. As the co-borrower, you may retain and continue to use the credit card.

What if my loved one had purchased credit life disability/debt protection insurance on the loan through the Credit Union?

If that's the case, we follow through with claim paperwork to the insurance provider once we've received the death certificate.

Provided for general information only. Your individual circumstances may differ. Consult an attorney for legal advice.

Member Service Center

Hours

M-F: 7 am–7 pm ET
Sat: 8 am–1 pm ET

Phone

703-709-8900
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Fax

703-925-5113

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703-709-8919

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ABA Routing Number

256075025

Direct deposit, inbound wire transfers, ACH transactions



Chantilly | Gainesville | Herndon | Leesburg
Manassas | Vienna | Village Center (Herndon)



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A Survivor's Guide to Finances



YOUR LIFETIME FINANCIAL PARTNER

A Survivor's Guide to Finances

WHAT HAPPENS TO YOUR LOVED ONE'S ACCOUNTS AFTER DEATH?

Losing a spouse, parent, or other close loved one brings a flood of emotions that can make tasks like managing financial obligations seem almost impossible. The following checklist and FAQs are designed to help you deal with this challenging time and make the next financial steps as organized and easy to understand as possible.

Surviving Spouse Financial Checklist

Preparation for Dealing with Finances

This is a lot for one person to handle alone, so **enlist the help of other family members** or a close friend. If no loved one is available to assist you, consider hiring a financial advisor.

Gather all important documents in a central place where they are easy to access. A large accordion folder can help you stay organized. Documents to gather include:

- Will/trust
- Life insurance policy
- Birth certificate
- Marriage certificate
- Death certificate
- Social Security card
- Tax returns
- Divorce agreements
- Bank statements
- Investment account statements
- Stock certificates
- Pension/retirement plan statements
- Loan statements
- Mortgages
- Leases
- Deeds
- Safe deposit box information
- Business ownership or interest information
- Military service records
- Union membership information
- Computer records related to assets

First Action Items

- Ask the funeral director** to help you get 12 certified copies of the death certificate, or contact the County Clerk's office yourself to obtain them. There is usually a small charge for this.
- Contact your spouse's employer.** Speak with the Human Resources department directly so they can provide you with the paperwork that needs to be completed. As the surviving spouse, you may be due money because of an employer's life insurance plan, as well as your spouse's accrued vacation or sick time. Also, if you or your children were covered through your spouse's employer's medical insurance, ask about options for continuing the coverage if you are interested in doing so.
- Contact an attorney** to begin review of the will, or if there is no will, to discuss how the probate process will work. The attorney should be able to help you understand whether or not your spouse's estate will cover any existing debts that were just in your spouse's name, or if not, what your liability will be for those debts going forward.
- Contact the life insurance company** that holds the policy to begin processing the claim. Also, contact any insurance companies to which your loved one held a policy to notify them of the passing and see if any cash benefits are due to survivors.
- Make sure you have a plan in place for all your bills.** If you weren't the one responsible for bills, research which were on automatic payment and which need to be paid manually. Have all the bills put in your name. For the first few months, it can help to create a bills checklist to put in a prominent place. If you aren't able to pay all the bills immediately, contact your creditors about the possibility of delaying payments due to the circumstances.

Next Action Items

- Contact all credit unions or banks** your loved one had accounts with to change the account holder information.
- Contact any financial advisors or administrators of investment or retirement accounts** your spouse had to begin the process of assigning assets to beneficiaries. Confer with a financial advisor before cashing out any investments.

If your deceased loved one was listed as a beneficiary on your will, insurance policies, bank accounts or retirement plan, change these designations.

Contact any creditors to remove your spouse's name from any joint accounts and to close any accounts that were in your spouse's name only. Destroy any cards that were issued in your spouse's name. If you have long-term joint accounts that have remained in good standing, it's a good idea to keep them open since they can help you maintain a positive credit history. Let creditors know if the debts will be paid by your spouse's estate, or if not, how they will be handled. If you had been paying for credit card insurance, ask the creditor how that will assist you.

Send a letter to each of the three major credit bureaus to get copies of your spouse's credit reports to ensure you are aware of all existing debts. In your letter, include:

- Date
- Your name and address
- Your relation to the deceased
- Your signature
- Deceased's date of birth and death
- Deceased's place of birth
- Deceased's Social Security number
- Deceased's addresses for the past five years
- A request that the deceased's credit report be mailed to you
- A request that the following notation be listed on the credit report: "Deceased—Do not issue credit."
- Copy of marriage license
- Copy of death certificate

Update the name listing on any deeds or titles, such as your home or vehicles.

Contact the U.S. Social Security Administration to see if you are eligible to receive benefits. Be sure to let them know you are calling regarding spousal and survivor benefits.

If your spouse was in the military, **contact the U.S. Department of Veterans Affairs** to learn what benefits you might be due.

If your spouse belonged to a labor union, **contact the labor union** to see if they offer any assistance.

If an illness or medical care preceded your spouse's passing, **file a claim for the medical bills with your spouse's health insurance provider**.

Keep in mind that **taxes for your spouse will still need to be filed for the year of death** and any taxes due will need to be paid. Since there could be estate taxes or other complicated issues to deal with, it is best to contact a tax professional to assist you.

If you have a child who is in college, **contact the school's financial aid office** since you may qualify for more assistance.

Cancel any clubs or memberships for your spouse, such as gyms or professional organizations.

If your spouse had any business ownerships or interests, **contact the attorney who handled your spouse's business affairs** to learn what steps need to be taken to handle any transitions.

Final Action Items

Complete a new spending and savings plan to reflect your new level of income and expenses.

If your benefits represent a large amount of money, **consult with a financial advisor** to put that money to work to achieve your goals.

It is also good to **reassess what your retirement will look like going forward**. Try to estimate how your expenses and income will change during retirement.

Northwest Federal Is Here to Help During Your Time of Bereavement

If you have further questions, please don't hesitate to call our IRA/Estate and Trust Account representatives at **703-709-8900 (844-709-8900 toll-free)**, 8 am–4:30 pm EST, Monday–Friday.