

SUPPORTING YOU: FIRST STEPS AFTER A LOSS

Northwest Federal Credit Union is committed to supporting you throughout the process of settling an account after the passing of a Northwest member and assisting you in navigating the necessary next steps. Our goal is to ensure that the settlement is handled with the utmost care and efficiency.

This general overview of the account settlement process does not address all scenarios and does not guarantee Northwest Federal Credit Union will follow any procedure or take any action on an account. Please contact the IRA, Trust, and Estates Department at 703-709-8900, ext. 4490 for additional information.

The information below is for informational purposes only and not for the purpose of providing legal, tax, financial planning, or investment advice. Northwest encourages you to seek financial, tax, and legal advice from professional advisors regarding any issue or problem you may encounter during the settlement process. If appropriate, contact the probate court or its equivalent in the jurisdiction where the account owner resided for further information on the probate process.

GENERAL INFORMATION

Northwest Federal Credit Union allows a period of up to six months to settle a deceased member's active accounts and will continue reporting to the Internal Revenue Service (IRS) under the deceased's Social Security Number (SSN) until the account is closed. By taking prompt action, you can avoid complications resulting from continued IRS reporting under the deceased's SSN. The length of time it will take for an account to settle can vary based on the individual's circumstances and account structure. Please note, if you previously held a Power of Attorney (POA) for your loved one's account, the POA is voided upon the death of the principal party.

ACCOUNT SETTLEMENT AT NORTHWEST

Once Northwest has received a deceased member notification, we will review the account and documentation provided and contact the notifier within two weeks. Please have the following items available when contacting us for account settlement:

- Copy of the death certificate (required)
- Photo ID (required for estate representatives)
- Any applicable court documents, e.g. appointment of executor or representative, letters of testamentary, letters of administration, etc.

Please note: We are not able to accept an unprobated will for the deceased individual and may require additional documentation based on the account structure. We will notify you if we need anything further.

WHAT TO EXPECT WITH DEPOSIT ACCOUNTS

CHECKING, SAVINGS, MONEY MARKET, AND CERTIFICATES

Debit and/or ATM cards in the name of the deceased will be deactivated to prevent unauthorized use.

Individually held accounts with no beneficiaries will be closed and any remaining funds will be distributed to the estate once any open loans have been satisfied and the appropriate time has elapsed.

Individually held accounts with designated beneficiaries will be closed and any remaining funds will be distributed as designated to the beneficiaries once any open loans have been satisfied.

Jointly held accounts will remain open until Northwest receives all proper documentation. The surviving joint owner can continue to use the account which includes but is not limited to writing checks and making withdrawals and deposits into the account. Please be advised that eventually, this account will be closed, or the surviving joint owner can choose to have the accounts retitled in their name. If the joint owner(s) does not have an active membership with Northwest, he/she may decide to establish membership and retitle the accounts under the newly established membership.

* There is no penalty for closing certificates due to the death of the account owner.

INDIVIDUAL RETIREMENT ACCOUNTS (IRAS)

Upon researching the IRA account, a beneficiary packet will be created and mailed out to the appropriate party. Eligible beneficiaries may establish an inherited IRA account under the beneficiary(ies) name and tax identification number to maintain an IRA with Northwest Federal Credit Union. Due to tax implications and the complexity of IRA accounts, please contact the IRA, Trust, and Estate Team for further details.

AUTOMATIC PAYMENTS

Automatic debits attempting to be processed in the deceased's name will be blocked within six (6) business days after receiving notification that the member has passed away. Bill payments being processed through Northwest's online banking system will be discontinued for all individually held accounts. Automatic transfers in or out of jointly held accounts will still process as normal.

FEDERAL DIRECT DEPOSITS

Any federal payments received in the deceased account holder's name being credited for the month following the date of death must be returned to the U.S. Treasury per federal regulation. Common federal payments include (but are not limited to) social security benefits, Department of Veterans Affairs Benefits, and USA Railroad Retirement. Northwest receives reclamation requests directly from the U.S. Treasury to initiate the process of returning funds. Any questions regarding a federal benefits payment should be directed to the agency issuing the payment.

WHAT TO EXPECT ON LOAN ACCOUNTS

Surviving borrowers on all loan types (with the exception of personal lines of credit) can retain the loan under the existing terms and will be solely responsible for repaying any outstanding loan balances. Co-borrowers that are not members of Northwest will be offered an opportunity to complete a membership application and have the loan re-titled under their membership. Loans that co-borrowers do not wish to keep will need to be paid in full and closed out.

CONSUMER LOANS

Share account balances will be applied toward any outstanding consumer loan balances prior to funds being released to any named joint beneficiary, or to the member's estate. Northwest Federal Credit Union will determine if the deceased member had payment protection on their loan and submit claims for eligible accounts once the death certificate is received. If qualified, we will apply any claim payment proceeds towards the loan balance. Proceeds will be applied as of the date of death. If you wish to refinance the loan with Northwest, please contact our Consumer Lending Department at 703-709-8900 x4913. If for any reason you believe the member's estate will have difficulty making the payments, or you wish to surrender the property, contact our Loss Mitigation Department at 703-709-8900 x4322.

MORTGAGE LOANS

Our Servicing Department will contact you to determine the next appropriate steps based on the type of loan and ownership of the property.

CREDIT CARDS

If the deceased was a sole borrower on a credit card, the credit card account will be frozen and no interest will accrue on the date of death balance. Statements will continue to be issued until the outstanding balance is paid in full. If there is a co-borrower on a credit card, they should continue to make regular payments. The card can remain open and be retitled in the co-borrower's name under their Northwest membership account.

FAQS

What if the payable on death payee/beneficiary(ies) hasn't received the beneficiary documents?

The beneficiary(ies) contact information may have changed. Please contact the IRA, Trust, and Estates Department to provide an updated mailing and/or email address. Once the request is reviewed and the beneficiary has been validated, the beneficiary's documents can be sent to the updated address.

I am the designated personal representative/executor of the estate, but I am not a joint owner on the deceased's accounts. Will I be able to access information on the account, such as which checks have cleared?

Yes. Once probate documentation is provided stating that you are the personal representative of the estate, you will be entitled to all account information.

How do I reach the Social Security Administration concerning survivor benefits?

You can reach the Social Security Administration at 1-800-772-1213 or visit their website at www.ssa.gov. Since it can take up to 90 days to process a claim, it is important to notify them as soon as possible. You are generally required to provide:

- Proof of death, such as a certified copy of the death certificate
- The SSN of the deceased
- The name of the deceased's employer
- The deceased's most recent W-2 forms or self-employment tax return showing earnings in the year of his or her death
- A certified or original copy of the birth certificates of the spouse and minor children
- Divorce papers if the divorced spouse is applying for benefits

Does Northwest offer estate accounts?

Yes. To establish an estate account, please complete an Estate Account Application & Update Form and provide the following documentation:

- Copy of the death certificate
- Copy of the applicable court documentation
- Verification of the EIN assigned to the estate
- Photo ID of named estate administrator/executor

The EIN number is obtained from the IRS. You may apply online at

<https://www.irs.gov/businesses/employer-identification-number#ways>

The application and documents can be submitted at your closest Northwest branch location, via email to iraestatetrusts@nwfcu.org or via mail to NWFCU Attn: Estate Department PO Box 1229 Herndon, VA 20172.