

# What You Need to Know When a Loved One Passes

We've created this guide to help answer questions about how we handle a loved one's account(s) after they have passed. It was created for your convenience and may not apply to all situations.

## COMMON QUESTIONS

### Who is allowed to access information and conduct transactions on the accounts?

Generally, joint account holders, court appointed representatives of the estate, and successor trustees on accounts held in trust may access account information and conduct transactions on the accounts.

### I have a power of attorney – am I allowed to access or receive information on the affected accounts?

Per the Uniform Power of Attorney Act, a power of attorney is invalid upon the death of the grantor. Even a "durable" power of attorney is invalid upon death.

### How long should the accounts remain open?

We recommend settling the accounts as soon as possible. We are required to continue reporting account information to the IRS under the loved one's Social Security Number until the accounts are closed or transferred to the new account holder's name. By settling the accounts quickly, you may avoid complications.

### What information does the bank need?

This will depend on the relationship between the loved one and the person requesting the information. Several documents that are frequently required include: Letters Testamentary, Trust Documents, Affidavit for Collection, Recorded Deeds.

## DEPOSIT ACCOUNTS

### How are funds disbursed on beneficiary payable-on-death (POD) accounts?

If the account was solely owned, it will be closed and the funds disbursed to the beneficiaries. If there is a joint owner, he or she is entitled to the funds. These accounts are not subject to probate or the terms of a trust.

### What happens to federal benefits like Social Security or Veteran benefits that have been directly deposited?

By law, certain deposits received must be returned back to the Social Security Administration or agency that made the deposit. Additional information regarding the return of federal benefits may be obtained from the Social Security Administration or other federal government agency issuing benefits.

### How are trust accounts handled?

Management of a trust account and the disbursement of funds are dictated by the trust document.

### How are Certificate of Deposit (CDs) accounts handled?

Joint account owners can cash out the certificate without penalty. Beneficiaries should contact the bank for further assistance.

### How are IRAs handled?

The bank will contact the designated beneficiaries. It is strongly suggested that the beneficiaries consult with a tax advisor to determine the best options available. Please keep beneficiaries' contact information updated.

### Will the bank accept an Affidavit for Collection to close a deposit account?

Yes, if all requirements under Hawaii Revised Statutes § 560:3-1201 are met and we are provided with a death certificate. Go to <https://www.capitol.hawaii.gov/hrscurrent/> for more information.

## LOANS AND LINES OF CREDIT

### If the loans were solely in the loved one's name, who is now responsible for them?

The estate is responsible for repayment of the loan.

### If there is a co-borrower, is he or she now responsible?

The co-borrower and the estate are jointly responsible for repayment of the loan.

### I am a co-borrower on a Line of Credit; can I continue to use the account?

Yes. Co-borrowers will continue to have access to the line of credit. The surviving co-borrower and the estate will continue to receive statements and be liable for repayment of the loan.

### I am not a co-borrower, but I have an ownership interest in the collateral securing the loan or I have been making payments on the loan. What should I do?

Please call (808) 539-7228 to discuss the options available to you.

### Loan payments were being automatically debited from the loved one's checking account, will that continue?

Automatic payments made from a joint owned checking account, where the joint owner of the checking account remains liable for the debt under the loan, will continue without change. All other automatic payments may be discontinued when we receive notification of your loved one's passing.

If you have questions, call our Customer Banking Center at (808) 627-6900 or toll-free (800) 272-2566. The information presented is subject to change at any time without notice.



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