



Saying goodbye to loved
ones is never easy.

**A HELPFUL GUIDE FOR
SETTLING ACCOUNTS
FOR DECEASED MEMBERS**

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Saying Goodbye is Never Easy

We are deeply sorry to hear of the loss of your loved one. While nothing we can do will take away the hurt or sadness you and your family may be feeling, we hope that we can help make this challenging time a little less difficult and stressful. We've prepared this guide to help you understand what to expect from us as we help you settle the ESL accounts for your loved one.

The ESL Account Settlement Approach

Once we've learned about the passing of your loved one, we'll work with you to settle the accounts (including accounts held with ESL Investment Services, LLC), services and loans your loved one had with ESL. We'll connect you with an experienced member of our Customer Case Specialist team who will serve as your main point of contact throughout this process, providing support and guidance every step of the way. The Customer Case Specialist team has access to information about your loved one's relationship with ESL. Therefore, when you have questions or concerns about this process, we encourage you to contact the Customer Case Specialist team right away:

Monday-Thursday 8:00AM-5:00PM

Friday 8:00AM-6:00PM

Saturday 8:30AM-2:00PM

585.336.1599 / Fax 585.336.1283

depositops@esl.org

Because each member has a unique relationship with ESL, the first step we'll take is to review the full breadth and depth of your loved one's financial relationship with ESL. From there, we'll help you understand the status of your loved one's accounts. Some accounts may need to be closed; for some, a transfer of ownership may be necessary, and some (like loans), may need to be paid off in order to be settled. For each situation, we will clearly communicate what your options are and guide you through the process of settling these accounts so that your loved one's financial interests remain safeguarded and protected.

Let's Begin

In addition to the initial conversation with the Customer Case Specialist, we will need certain documentation, including a copy of the member's Death Certificate, in order to start the process. Depending on your unique situation, the Customer Case Specialist may advise you that additional documentation may also be necessary. You may be also asked to provide:

- Certificates of Voluntary Administration
- Letters Testamentary / Letters of Administration
- Tax ID Number (TIN) for the Estate
- Executor/Administrator Identification
- Prepared 1310 Affidavit

Understanding Probate

Probate is the process by which the court determines the authenticity of a Will. It is designed to protect the family and ensure the persons who are entitled to receive the assets do receive them. It also ensures all debts and taxes are paid.

The court will use the Will to determine who is to be the appointed executor of the estate. If there is no Will, the court will appoint a "personal representative," usually a spouse or relative.

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 not be required if the deceased's estate had accounts that are classified as 'Joint with Right of Survivorship' or if the total Estate is less than \$30,000. It is best to consult an attorney to determine what property is or is not subject to probate.

Estate Account

In some situations, it is beneficial to open an estate account as a way to administer a person's financial assets after they have passed away. At ESL, we open either a checking or a savings account as the estate account and this account can be used by authorized individuals to make deposits and or withdrawals from the account (to pay for funeral expenses or other outstanding bills the deceased may have, for example.)

The Customer Case Specialist will help you understand if opening an estate account is appropriate for managing your loved one's assets.

Eligibility

To be eligible to establish an estate account, the deceased member must have been an ESL member in good standing at the time of death. As a credit union, we are unable to open accounts for deceased non-members. This includes opening estate accounts for non-members when family members or survivors are ESL members.

Establishing an Estate Account

To establish an estate account, you will need to provide:

- A certified copy of the member's Death Certificate
- A Tax ID Number (TIN) for the estate
- Court documents designating an estate executor/administrator
- Current identification of the estate executor/administrator or voluntary administrator establishing the Estate account

A Look at Your Loved One's ESL Accounts & Services

Checking and Savings Accounts

This section reviews important considerations regarding your loved one's checking and/or savings account(s). The Customer Case Specialist will help you understand what is specific to your situation and what additional steps need to be taken.

Direct Deposits

Generally speaking, we are required by law to return any direct deposits received from certain federal agencies (such as Social Security or Veterans Administration) on or after your loved one's date of death.

Single-Titled/Individual Accounts

- When your loved one is the sole owner of a checking or savings account (referred to as a single-titled or individual account), we will block the account immediately upon notification of the account owner's death. This is to ensure that no unauthorized transactions occur.
- If the account has an individual owner and no listed beneficiaries, the funds will be disbursed to the deceased member's estate or if certain conditions apply, to the next of kin.

Joint Accounts

- An ESL joint account is classified as 'Joint with Right of Survivorship,' which means you may continue to use the account and your current ESL Visa® Check Card or ESL ATM Card.
- The account may need to be closed or retitled depending on the current titling of the account:
 - **When the account is in the name of the deceased member (as the tax owner),** the account ultimately will need to be closed. As the secondary account holder, you will continue to have full rights throughout the settlement process and can remove the funds. When the deceased member is the tax owner, we are required to continue IRS reporting under your loved one's social security number so we recommend you close the account at your earliest convenience to avoid complications. When you are ready, the Customer Case Specialist will help you close the account.
 - **If the deceased member was the secondary owner on the account (not the tax owner),** the account can remain open and the new tax owner will need to sign a new member account agreement to update the ownership status of the account.

ESL Visa® Check Cards or ESL ATM Cards

Any ESL Visa Check Card or ESL ATM Card a deceased member may have had will be deactivated immediately upon notification of the cardholder's death. Again, this protects your loved one's accounts from unauthorized purchases made with the card. If you are a joint owner on the deceased member's account and have an ESL Visa Check Card or ESL ATM card of your own, you can continue to use your card unless the account needs to be closed. The Customer Case Specialist can answer any questions you may have about the continued use of your card.

Automatic Payments

If your loved one has arranged to have automatic payments taken out of their account, you will need to notify those companies to stop making the withdrawals or, if you would like to continue any automatic payments coming out of the account, you will need to set them up under the new account owner's name.

Certificates

Disbursement from a certificate varies and is based on its ownership.

Single-Titled/Individual Accounts

- When your loved one is the sole owner of the certificate account, (referred to as a single-titled or individual account), we will block the account immediately upon notification of the account owner's death so that no additional transactions can be made on the account.
- If the certificate has an individual owner and no listed beneficiaries, the funds will be disbursed to the estate account for the deceased member. If certain conditions apply, funds may be disbursed to the next of kin, without penalty.

Joint Accounts

- **When the account is in the name of the deceased member (as the tax owner)**, the account ultimately will need to be closed. The secondary account holder will have the option of either opening a new certificate in his or her name or to cash in the certificate. In both situations, no penalties will be assessed.
- **If the deceased member was the secondary owner on the account (not the tax owner)**, the account can remain open as long as the surviving account owner signs a new member account agreement to update the ownership status of the account. The secondary owner of the account also has the option of cashing in the certificate. Again, there are no penalties assessed with either option.

Individual Retirement Accounts (IRAs)

The IRA account(s) will be closed without a penalty from ESL and placed into an inherited IRA account. Designated beneficiaries will receive a letter detailing options for further disbursement of those funds.

Trust Accounts

Trusts established in the name of a legal trust and managed by the trustee, co-trustee, successor trustee or trust administrator, as outlined in the Trust Agreement generally require the services of an attorney. You should refer to your Trust Agreement and contact the attorney who is helping you settle the estate.

ESL Investment Services, LLC

If your loved one has accounts through ESL Investment Services, the Customer Case Specialist will provide notification to ESL Investment Services and then help you understand next steps. While the Customer Case Specialist team is available to help, you may also contact ESL Investment Services directly with questions about your loved one's accounts. They can be reached at 585.339.4475 or 800.814.5884.

Consumer Loans

As part of our review of your loved one's financial relationship with ESL, the Customer Case Specialist will provide the status of any consumer loans and help you understand and work through options for the settlement of those loan accounts. While the Customer Case Specialist team is available to help, you may also contact our Loan Payment Solutions team directly with questions about your loved one's accounts. They can be reached at 585.336.1125 or 800.842.4402.

ESL Visa® Credit Cards

When your loved one is the sole owner of an ESL Visa Credit Card account (referred to as a single-titled), the account will be blocked once we are notified of his or her death and the cards deactivated. When we receive a copy of the Death Certificate, the account will be closed. Any other authorized users for this credit card account will be notified in writing that they no longer have access to the account.

If the account is a joint account, the card can remain open and the account can be retitled in the surviving owner's name and social security number. The surviving owner can continue to use their card and any existing balance will become his/her responsibility. Additional authorized users will be able to continue using the account unless we receive a written request for an authorized user to be removed. Written requests should be sent to:

ESL Federal Credit Union
Attn: Card & ATM Operations
225 Chestnut St.
Rochester, NY 14604

We highly recommend that you destroy any cards belonging to your deceased loved one to prevent any unauthorized transactions from occurring.

Real Estate-Secured Loans

The Customer Case Specialist will help you understand the status of any loans your loved one may have had with ESL and what the next steps are in each situation.

- When a deceased member is the only borrower, a letter will be sent to the estate to provide information regarding these loans.
- When a co-borrower is listed on the loan, the co-borrower will become the primary borrower and the loan will automatically be transferred to the co-borrower's name and social security number. The remaining balance will become his or her responsibility.

Home Equity Lines of Credit

If your loved one had a Home Equity Line of Credit, the Customer Case Specialist will provide information about that line and what the options are for settling the account.

- When a deceased member is the only borrower and there is an outstanding balance, no further disbursements will be allowed and the estate will receive a letter from us with instructions regarding next steps. When there is no balance, we will close the Home Equity Line of Credit and the discharge documentation will be mailed to the estate. The estate will be responsible for paying the discharge fee.
- When there is a co-borrower on the Home Equity Line of Credit, the line will remain open and the co-borrower may continue to access the funds. The co-borrower will assume responsibility for repayment.

Mortgage and Other Loans with Life Insurance

Upon receipt of a certified Death Certificate, we will process the life insurance claim on the member's behalf.

Safe Deposit Boxes

When members with safe deposit boxes pass away, there are certain rules we follow (as required by law) to safeguard the box's contents while still providing access to appropriate people.

We will provide access to a Safe Deposit Box for an appointed deputy with the intent to examine and make copies of papers relating to:

- Burial Instructions
- Deed to Cemetery Plot
- Proof of Membership in a Burial Society

Once we have reviewed Letters of Testamentary, Letters of Administration, or a court order stating who the executor, administrator, or person to open the box is, access will be granted to the authorized individual per the instructions on the documents.

TEL-E\$L

Access to TEL-E\$L will no longer be available using the deceased member's member number and TEL-E\$L PIN once we have received notification of death.

ESL Online and Mobile Banking

Once we receive notification of death, access to ESL Online and Mobile Banking will no longer be available using the deceased member's login credentials. We will also cancel any ESL Online Bill Pay accounts set up in the deceased's name. If you would like to continue to pay the deceased's bills using ESL Online Bill Pay, the Customer Case Specialist will work with you to set up a new account in your name.

Account Designations

Power of Attorney

All legal powers of the Power of Attorney are considered void upon the death of the person who granted the powers.

Accounts with Beneficiaries

- Funds in an account(s) with beneficiaries will be disbursed upon request directly to those named as beneficiaries.
- Funds in a jointly owned account(s) with beneficiaries will be transferred to the joint owner(s).
- Only upon the death of all account owners are funds disbursed to designated beneficiaries.

Minors as Beneficiaries

If the beneficiary is under the age of 18 and the funds are \$10,000 or more, the funds will only be paid to the court-appointed guardian of the minor's property. If the funds are less than \$10,000, the funds will be paid to either a court-appointed guardian or the minor's parents.

For More Information

We know this can be a difficult and confusing time for you and your family. We are here to help and want to answer any questions or concerns you may have. The ESL Customer Case Specialist team can be reached:

Monday-Thursday 8:00AM-5:00PM

Friday 8:00AM-6:00PM

Saturday 8:30AM-2:00PM

585.336.1599 / Fax 585.336.1283

depositops@esl.org

You may also find useful information on our website. Refer to www.esl.org/resources-tools/life-events/saying-goodbye.

Frequently Used Terms

| Term | Definition |
|--------------------------------------|--|
| Administrator | Person the Surrogate's Court appoints to handle the property of the decedent who dies without a will (or without a will being probated). |
| Affiant | Person signing the 1310 Affidavit. |
| Certified/Original Death Certificate | An official government certificate on security paper with a raised certification seal, required for insurance collection purposes. |
| Distributee | Person who shares in a decedent's estate when no will is probated. |
| Estate | The property or possessions of a deceased person |
| Estate Account | An account opened by a fiduciary that holds all monetary assets of the decedent |
| Executor | Person Surrogate's Court appoints to handle the property of the decedent after the Will has been probated. Usually the decedent names the executor in the Will |
| Fiduciary | A person to whom property or power is entrusted for the benefit of another typically, the Executor, Administrator, or Voluntary Administrator. |
| Heir | Person who inherits or has a right of inheritance in the property of a deceased person. |
| Letters Testamentary | A legal instrument issued by the Surrogate's Court authorizing an Executor, Administrator, or Voluntary Administrator to take control of and dispose of the estate of a deceased person. A Certificate is issued. Review for any limitations listed: <ul style="list-style-type: none"> • Certificate of Appointment • Certificate of Administration • Voluntary Administration Certificate |
| Next of Kin Affidavit: | An internal affidavit created for the sole purpose of allowing a qualified affiant to affirm his/her relationship without producing direct proof of relationship. |
| Surviving Qualified Relative | A Spouse, Child (aged 18 years or older), Father/Mother, Brother/Sister, or Nephew/Niece of the decedent. |
| 1310 Affidavit | An affidavit in which a qualified Surviving Spouse, Surviving Relative, Heir or Distributee, Person or Creditor of the deceased takes an oath that they have rights to transact on monetary items. Used when no one has been appointed as a fiduciary for the decedent's estate by the Surrogate's Court. |
| Treasury Funds | Funds paid from the U.S. Treasury Department, specifically: <ul style="list-style-type: none"> • Social Security/Supplemental Security Income (SS/SSI) • Civil Service Retirement (OPM) • Railroad Retirement Board (RRB) • Department of Defense Retirement (DFAS) • Department of Veterans Affairs Retirement (VA) |
| Voluntary Administrator | Person who applies to the Surrogate's Court and is appointed to handle only specific items for the decedent |
| Written Directive | Written instructions/statement documenting the intent of the individual transacting on behalf on the deceased |



Federal Credit UnionSM

www.esl.org | 225 Chestnut Street, Rochester NY, 14604 | 585.336.1000