

LOANS AND LINES OF CREDIT

If the loans were solely in the decedent'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 decedent'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 disconnected when we receive notification of the customer's death.

If you have questions, call the Successor Relations Team Monday through Friday 8:00 am - 6:00 pm at 808-539-7228 or toll-free (800) 272-2566 ext. 7228.



What You Need to Know...

Decedent Account Guide

We've created this guide to help answer your questions about how we handle a customer's accounts after they have passed.

It was created for your convenience only and may not apply to all situations.



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COMMON QUESTIONS

Who is allowed to access information and conduct transactions on the decedent's accounts?

Generally, joint accountholders, court-appointed representatives of the Estate, and successor trustees on accounts held in trust may access account information and conduct transactions on the decedent's account.

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

No. By law, the Power of Attorney is considered revoked upon the principal's death.

How long should the affected 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 decedent's Social Security Number until the affected accounts are closed or transferred to the new accountholder's name. By settling the accounts quickly, you may avoid complications with the IRS.

What information does the Bank need?

In addition to a copy of the death certificate, we ask that you complete our Deceased Customer Notification form. The form asks you to identify accounts the decedent held with the bank and to provide contact information for the person who will be handling the decedent's affairs. If probate has been opened and an administrator or executor has been appointed, we ask that you also provide a copy of the court order designating that person.

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 and Veteran benefits that have been directly deposited into affected accounts?

By law, we are required to return benefits deposited after the date of the decedent's passing to the government.

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 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.

Will the Bank accept an Affidavit of Collections 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 www.capitol.hawaii.gov for more information.