

ADDITIONAL RESOURCES AND OTHER MATTERS

PERSONAL FINANCE

This section describes financial matters that the surviving family members of deceased service members may become responsible for, as well as financial benefits available to surviving family members from military and civilian sources.

Family Assets

If the deceased service member was the person primarily responsible for financial matters, then many of the family's assets may be held under the service member's name. One of the most effective tools in taking control of the family finances is to gain access to, and control of, those assets.

As discussed in the section on Settling the Deceased Service Member's Estate, some of the service member's assets are subject to the legal process known as probate. The executor or administrator of the service member's estate will manage the process of distributing those assets.

Assets not included in the probate process will pass to surviving family members directly as the designated beneficiary or as property held jointly. Surviving family members should identify and gain control of those non-probate assets as quickly as possible.

Bank Accounts

How do surviving family members get access to the service member's bank account?

First, surviving family members should determine whether the service member had a joint account, meaning an account under the names of both the service member and a surviving family member. The surviving family member can continue to use that account. The deceased service member's name should be removed from the account, which can be done by showing the bank a death certificate.

If an account was in the service member's name only, contact the bank to find out what documents are needed to access the account. A surviving spouse that has been named in the service member's will should be able to gain access to the account by showing identification.

The bank says the account is a “payable-at-death” account. What does that mean?

This means that the service member already designated a beneficiary to receive the funds remaining in the account in case of death. The beneficiary will normally be asked to present identification to bank personnel in order to receive the funds. If the named beneficiary is a child under 16 years of age, some states allow the bank to transfer the funds to the beneficiary’s legal guardian. The payment of funds under a payable-at-death account is separate from any instructions in the service member’s will.

Safety Deposit Boxes

Is there anything else to ask the bank?

Yes. Surviving family members should find out whether the service member had a safety deposit box. Each bank has a different policy about safety deposit box access. If a surviving spouse jointly owned the safety deposit box with the service member, the bank may allow the spouse access to the box. On the other hand, the bank may seal the box and give access only to the administrator or executor of the service member’s estate. If the safety deposit box is only in the name of the deceased, the bank may allow access only to look for a will. Other banks may allow family members to access the safety deposit box if they fill out required forms.

Brokerage Accounts

Are brokerage accounts similar to bank accounts?

Yes. A surviving family member named as a beneficiary on a brokerage account may be able to gain access to the assets in a “payable at death” brokerage account before the account goes through the probate process. However, some states do not permit “payable at death” brokerage accounts. Surviving family members should contact the financial institution where the account is held.

Real Estate

What happens to a house or apartment?

If the property is rented, surviving family members should review the lease for terms which may affect surviving family members’ rights (for example, if the lease was solely in the name of the deceased service member). If the property is owned, get a copy of the deed from the county clerk in the county where the property is located. It may be necessary to consult a lawyer to determine and protect the surviving family members’ rights to the property. Please see the section on Legal Assistance for information on finding and hiring a lawyer.



If the surviving family member was married to the service member and they purchased the property jointly, the property may be owned together as “tenants in the entirety”, which means that the surviving spouse is now the sole owner. Generally, the surviving spouse should not need to do anything to maintain ownership of the property, but should still contact a lawyer because some states do not recognize this concept.

If the deed says the property was owned by “joint tenants with rights of survivorship,” then the surviving spouse becomes the sole owner of the property automatically on the death of the co-owner, assuming there are no other joint tenants.

What if the surviving family member was not married to the service member when the property was purchased?

In this case, the law varies by state and depends on the nature of the relationship between the surviving family member and the deceased service member. Surviving family members should seek legal advice tailored to their particular circumstances.

Credit Cards and Credit Reports

What if there are amounts due on the service member’s credit card?

If the credit card was entirely in the service member’s name, the outstanding debt will be paid by the executor or administrator as part of the estate settlement process.

Can the surviving spouse continue to use the credit card?

Yes, if the spouse’s name is also on the credit card account. The credit card company cannot automatically close the account or change the terms because of the death of the service member. The credit card company will probably ask the surviving spouse to update the application or reapply in the spouse’s own name. The spouse should still be able to use the account while the company reviews the new application.

What happens if the credit card company denies credit?

The surviving spouse should contact the credit card company to find out why. If credit is being denied based on information in the surviving spouse’s credit report, the credit card company is required to provide notice of such a determination in writing. The credit report contains a credit history and is maintained by consumer reporting agencies.

Why would an application for a credit card or loan be rejected?

There are many reasons why a surviving family member’s application for credit could be rejected. One reason could be the surviving family member’s credit history. Credit reporting agencies receive information from creditors such as credit card companies, mortgage lenders, and banks. The agencies then compile a person’s credit history, compute a credit report score and provide that information to lenders.



For details on obtaining one free credit report per year visit www.AnnualCreditReport.com or call (877) 322-8228.

The Federal Trade Commission works with consumers to help them identify, stop and avoid fraudulent, deceptive and unfair business practices. To file a complaint or get free information about consumer issues, call (877) FTC-HELP, or visit www.ftc.gov.



Credit report scores are based on factors that appear in the credit reports. These include:

- (1) Bill payment history;
- (2) Total outstanding debt;
- (3) Types of debt;
- (4) Length of credit history; and
- (5) Credit inquiries such as previous rejected attempts at obtaining credit.

How can one get a copy of his or her credit report?

The three major credit reporting bureaus which maintain this information are Equifax, Experian and TransUnion. Each of these agencies charges a fee for obtaining a credit report on their websites. However, consumers will be able to obtain one free credit report per year from each of these agencies in an increasing number of jurisdictions beginning December 1, 2004; by September 1, 2005 residents of all U.S. states and territories will be eligible to receive free credit reports through this service.

Even if a consumer has received his or her free credit report within the year, there is no charge for requesting a credit report if a company, like a credit card company, has denied a credit application made by the requesting consumer. The request must be made within 60 days of receipt of the notice of credit denial, which should contain the name, address and telephone number of the credit bureau involved.

Consumers should be wary of emails, unsolicited telephone calls or internet "pop-up" advertisements that purport to offer free credit reports. These offers may be a means of collecting personal information for fraudulent purposes. The three major credit reporting bureaus will not use such methods to contact consumers.

What if the credit report is wrong?

Under the Fair Credit Reporting Act the credit reporting agencies and those providing information to them are legally responsible for correcting inaccurate or incomplete credit information.

Anyone who believes that the information in a credit report is inaccurate should inform the credit reporting agency in writing and keep a copy of the letter sent to the agency. The credit reporting agency has an obligation to investigate the matter and to forward all relevant data to the provider of the information being disputed, which must also investigate and report its finding to the credit reporting agency. If either the credit reporting agency or the information provider determines that the information was inaccurate, it must notify all of the other nationwide credit report agencies so corrections can be made.

When the investigation is complete, the credit reporting agency must give the individual disputing the credit report the written results, and a free copy of the revised credit report.

Powers of Attorney

What is a power of attorney?

A power of attorney is a legal document by which one person gives another person the authority to act in his or her place. For example, a power of attorney permits one person to sign a contract for another person with binding legal authority. The person who signed the power of attorney is called the principal or grantor, and the person who gains rights from the power of attorney is called the attorney-in-fact.

Surviving family members should find out whether or not the service member had signed a power of attorney prior to deployment. Deploying service members are often encouraged by Legal Assistance Officers to execute powers of attorney to permit family members or trusted associates to manage their affairs while they are deployed.

Often, a power of attorney expires immediately upon the death or incapacity of the grantor. As a result, a power of attorney may not be particularly helpful to surviving family members in securing control over available assets.

Financial Planning and Assistance

Another important step in taking control of family finances is to understand the different kinds of benefits, from both military and private sources, that are available to surviving family members of a service member killed in active duty. Details about these benefits, including survivor benefit plans and benefits for education, are provided in other sections of this handbook, including the section on General Financial Assistance.

Financial Planning Assistance

What financial planning assistance is available?

Beneficiaries of Servicemembers' Group Life Insurance (SGLI) proceeds are eligible to receive beneficiary financial counseling services provided through an independent professional services firm, which should be free and personalized. These services are currently provided by Financial Point. Call (888) 243-7351 or email BFCS@FinancialPoint.com.

Upon the death of the service member, the VA's Office of Servicemembers' Group Life Insurance will provide information to the beneficiary on how to contact the designated firm to take advantage of this benefit.

In addition, the Air Force Aid Society (AFAS), Army Emergency Relief (AER) and the Navy and Marine Corps Relief Society also offer counseling.



For more information about forbearance and discharge of student loan payments due to hardship, call (800) 4-FED-AID or (800) 433-3243 or visit www.ed.gov.



What does a financial counselor provide?

The counseling service usually includes a personal meeting with a counselor and may cover estate settlement, health benefit elections, investments, income taxes, retirement planning, and cash flow management. The counselor may prepare a step-by-step personalized financial plan and provide follow-up telephone counseling for one year. Independent firms engaged through SGLI are required to promise not to try to sell any products, and counselors receive no commission for their services.

Private Assistance For Financial Difficulties

What if a surviving family member has difficulties paying bills?

The surviving family member should contact the financial institutions, credit card companies, or other parties to whom the surviving family member owes money, either directly or because of debts owed by the deceased service member, to discuss the situation. Surviving family members should not ignore the bills and payments due. Any agreement with a creditor in this regard should be recorded in writing, with a copy sent to the creditor and a copy kept in the surviving family member's records.

Surviving family members may be able to obtain advice on managing financial difficulties and dealing with creditors from organizations such as the National Foundation for Credit Counseling ((800) 388-2227). Alternatively, many military-related organizations, such as the Navy-Marine Corps Relief Society, offer budget counseling services for service members and their families. The CAO should be able to provide assistance in identifying locally available resources.

What if a surviving family member has difficulty making student loan payments?

Surviving family members who have student loans can contact the U.S. Department of Education or the lender to find out if the loans can be put into forbearance, meaning that payment requirements may be postponed, although they may not be cancelled altogether. If the service member had a student loan outstanding at the time of death, the loan may be discharged altogether, meaning no further payments are due.