

Widow or Widower: How to Handle the Bills After the Death of a Loved One



You'll go through a tremendous amount of emotional and financial stress after losing a spouse. Trying to take charge of all the household responsibilities while making important decisions about your future can seem overwhelming.

This publication is designed to help you take control of one small, but very important, part of your financial life: the bills.



► Myvesta is a nonprofit consumer education organization. We provide a wide range of educational materials to assist those in financial need. Visit our Web site at Myvesta.org.

As soon as possible after your spouse's death, you should:

Get at least a dozen copies of the death certificate

You will need a number of copies for various reasons, including working with your spouse's creditors. You may want to put the individual copies in separate envelopes when you receive them so that you can simply address the envelope later, without having to read the death certificate over and over again.

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Order a copy of your spouse's credit report, as well as your own

In many cases, the information will be the same, but there may be accounts on your spouse's report of which you weren't aware. To order your spouse's report, you need a copy of the death certificate, power of attorney or documentation that you are the executor of the estate. You can get a consolidated copy of your credit report (with information from all three major reporting agencies) at Myvesta.org's Web site, or you can contact each of the major credit reporting agencies:

Equifax	1-800-685-1111
Experian	1-888-397-3742
Trans Union	1-800-888-4213

Notify the credit reporting agencies of your spouse's death

Make sure you let all three major agencies listed above know of your spouse's death. They will eventually get the notification through other sources, like the Social Security Administration, but there may be a time lag. Notifying them right away yourself is best.

Notify creditors of your spouse's death.

Most creditors receive thousands of notices

of death each week. They often run their files against those of the Social Security Administration to find out who has died, and they often use sophisticated software programs that tell them how to file in each court district if they want to collect against an estate. Still, the fastest way for them to get information about the death is for you to notify them. This can help end calls and correspondence to

your spouse.

You should be aware that:

If there will be a probate proceeding (which may or may not be required, depending on the state and the amount of assets), then the executor of the estate should be in touch with the creditors.

If there will not be a probate proceeding, then you, the surviving spouse, should be in touch with the creditors to tell them now of your spouse's death. Most will request a copy of the death certificate, which you should have on hand already.

Remove your spouse's name from mailing lists.

You can call 1-888-5OPT-OUT to have your spouse's credit file blocked from screening for pre-approved mailing lists. That way, pre-approved offers will no longer be sent to your spouse's name.

You can also contact the Direct Marketing Association ("DMA") to have your spouse's name removed from many mailing and telemarketing lists. Contact the DMA at: Mail Preference Service, Direct Marketing Association, P. O. Box 9008, Farmingdale, NY 11735-9008. You can have your spouse's name removed from some telemarketing lists by writing to the Telephone Preference Service at Telephone Preference Service, Direct

Marketing Association, P. O. Box 9014, Farmingdale, NY 11735-9014. You might also consider placing your phone number on the national Do No Call registry. Visit www.donotcall.gov to learn more.

What Is Your Responsibility for Your Spouse's Debts?

Will you be responsible for bills incurred by your spouse? It depends. Here are some general guidelines:

Joint Unsecured Accounts

Unsecured loans are those where there is no collateral — a credit card or personal loan, for example. You are liable for the bills for accounts you held jointly with your spouse, so you will have to continue to make regular payments.

Although you will be under a great deal of stress after the death, try to keep up on your payments. If you fall behind, you may be charged late fees and/or higher interest — and your account will be reported as late to the credit reporting agencies. Late payments may remain on your credit report for up to seven years from the date the bill was due.

Under the Equal Credit Opportunity Act, a creditor cannot cancel your account simply because you become a widow or widower. The creditor can, however, require you to provide information to show that you can handle the debt on your own. Work with the creditor to have the account switched to your own name. If you have paid the bills on time, you shouldn't have a problem keeping the account open.

Joint Secured Accounts

Secured accounts are ones in which there is collateral (such as a car or a house) involved,

and they become more complicated. If the secured account is a joint account, you can talk with the creditor to have the debt transferred solely into your name. If it is *not* a joint account, then the heir of the property involved must make arrangements to pay the debt or the property can be repossessed or foreclosed upon. Talk with creditors as soon as possible to avoid problems.

Individual Accounts

If your spouse held individual accounts and you do *not* live in a community property state (see below), you are generally not liable for your spouse's individual bills.

The creditor may try to collect from the estate, however, if there are assets in the estate. You may want to check the agreement that your spouse signed when he or she incurred the debt. It may have a clause regarding death of the debtor.

Community Property States

In the community property states of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin, any property earned or acquired during the marriage — as well as any debts incurred during the marriage — are generally considered to be jointly owned. Therefore, most debts are considered joint.

There are some situations where debts incurred before the marriage, or debts where the creditor was relying on only one income to repay the loan, are considered individual, but this may be difficult to prove.

For all joint debts, the creditor will generally try to collect from the spouse. For individual debts, creditors may file in probate to try to collect.

Important: Do not let a creditor pressure you into paying bills that you do not believe are

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your responsibility. If a creditor is demanding that you pay bills for which you are not responsible, ask the creditor to stop contacting you and to collect from the estate. You may also need help from your state attorney general office.

About Myvesta...

Myvestasm is dedicated to helping people create healthy financial lives. The organization provides a wide range of materials to inspire and inform people so they can break down their barriers to financial and personal success. For more information visit Myvesta.org online.

Information Guarantee

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