



# When a Loan Customer Dies: 15 Issues You Should Consider (Webinar)

May 29, 2013 □ 3:30pm-5:00 pm

As lenders, we work hard to make good underwriting decisions regarding a borrower's repayment ability. In addition to analyzing a consumer's income or the cash flow of a business, it's a common practice to also take a security interest in collateral. The collateral types run the gamut of cars, personal residence, stocks, commercial real estate, equipment, accounts receivable, and inventory. One risk factor that's difficult to predict is *death*. When a consumer passes, the family is grieving and struggling to cope. If the death involves a sole proprietor, or partner, or a key corporate officer, it may mean that a number of high balance loans are outstanding and you wonder if the payments will continue to be made. We'd like to be sensitive to the consumer's family or help the remaining business owners, but the compliance clock doesn't stop ticking.

## **What happens now?**

When your loan customer dies, many issues and questions arise. Join us for 15 issues you should consider before handling a deceased customer's loan accounts and learn additional tips to protect the interests of your financial institution when making a loan.

## **Topics include:**

- ◆ Is the "death" of a customer a triggering event for default?
- ◆ How should lenders handle questions about with the borrower's estate?
- ◆ What information can be shared?
- ◆ Who is entitled to the information?
- ◆ What documents or information does a financial institution need before releasing the information?
- ◆ Is there standard language that your loan agreements should have regarding the death of a borrower?
- ◆ What if the deceased borrower was also a service member on active duty? What protections must be extended to the surviving family members?
- ◆ How should notices to co-borrowers, guarantors, and co-signers be given?
- ◆ What is the effect of the death of a borrower on the foreclosure process?
- ◆ Are Home Equity Lines of Credit impacted upon the death of a borrower?
- ◆ How can a financial institution protect its collateral after the borrower has died?
- ◆ How does the financial institution handle issues of guarantors, setoff and insurance when the borrower has died?
- ◆ What do the banking regulations and exam guidelines say about the event of a borrower's death?
- ◆ How does the death of a key person affect the extensions of credit to Corporations, Partnerships, Limited Liability Companies, Trusts and other legal entities?
- ◆ When should "Key Man" insurance be required? What are the pros and cons of credit life insurance?

## **Who Will Benefit**

This informative session is designed for customer service representatives, branch managers, lenders, loan operations, credit administration, compliance personnel, legal staff, and anyone who handles loan accounts

## **Webinar Speaker**

**Susan Costonis** is a compliance consultant and trainer. She frequently provides consulting services to financial institutions regarding fair lending and other compliance management issues. Her 34 year career in banking and training began with 20 years at First National Bank an affiliate of Wells Fargo Bank, in Fort Collins, CO. Susan has been a bank compliance consultant or compliance officer in Louisiana since 1998. During her career, Susan has successfully managed compliance programs and exams for institutions supervised by the OCC, FDIC, and Federal Reserve. She is a Certified Regulatory Compliance Manager and completed the ABA Graduate Compliance School and the Graduate Banking School of the University of Colorado. Susan regularly presents seminars to financial associations.



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## Registration Form

Please provide a contact name and email address for each telephone connection. Make copies if more connections are needed.

Name	Email Address
Connection 1. _____	_____
Connection 2. _____	_____
<b>Bank</b> _____	
Address _____	
City / State/ Zip _____	
Phone _____ Fax _____	

### Payment Options

Check ( Made payable to Louisiana Bankers Association)

Visa    MasterCard    American Express

Card Number \_\_\_\_\_ Expiration Date \_\_\_\_\_

Name on Card (please print) \_\_\_\_\_ Signature \_\_\_\_\_

Billing Address: \_\_\_\_\_ Amount to be charged on card \$ \_\_\_\_\_

- I cannot participate in the live program. Please send me the recording.    This training will be covered under SBET (Small Business Employee Training Program). Please send me necessary documentation for reimbursement.
- \$165 (LBA members),    \$265 (non-members)
- \*Recording and materials will be emailed after the program

### Registration Fee

\$165 per connection, LBA members  
\$265 per connection, nonmembers

Submit registration and view rosters in the  
Education Section of LBA's Website, [www.lba.org](http://www.lba.org).

### Agenda

3:30 p.m. Webinar Begins  
5:00 p.m. Webinar Adjourns

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**Webinar access codes will be sent to registrants  
with confirmation emails one week prior to session.**