



Credit Union Front Line



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for professional tellers, call center staff,
and member service representatives

Account Agreements: Who Owns What?

The Terri Schiavo case brought front and center the importance of providing a written directive for actions loved ones should take when a life-altering event occurs.

Part of that directive means specifying who receives what in the event of death—including funds your members have in their credit union accounts. Your credit union's account agreements help them do this.

"Your account agreements constitute a contract," says Mary-Lou Heighes, president of Compliance Plus Inc., Lakewood, Calif. "So it's important for members establishing accounts to choose people they actually want to receive the money." It's important, too, for you to look at your account agreements to see which types your credit union offers,

Heighes told participants of a Credit Union National Association Webinar on credit union accounts.¹

Heighes explains the following typical account structures—who owns the account and who has rights to the funds when the account owner dies:

► **Individual account.** There's one account owner, and only that person can transact on the account or make changes on the account.

Upon the owner's death, the funds typically turn over to the person's estate. For members with a will, however, the will instructs the executor of the estate as to how the property should be disbursed.

► **Joint account.** There can be two owners, three owners, or more, and usually any owner can transact. While one of the joint account holders has to be a member of the credit union, the other owners do not. All owners named on the account must sign the account agreement, however.

¹Visit training.cuna.org and click on "eSchools & Webinars" and then on "Webinar Schedule."



On joint accounts *with the right of survivorship*, if one of the owners dies, his or her share goes to the other account owners. "You may not have this at your credit union, depending on how your account agreements are worded or whether your state law allows it," notes Heighes.

If your account agreement says joint account *without right of survivorship*, the money belonging to the owner who dies goes to his or her heirs.

► **Payable on death account.** Both individual and joint accounts may have designated beneficiaries (also called pay-on-death payees). When there's an individual account owner, funds pass on to the named beneficiary when the owner dies.

With a joint account, funds belong to the owners. Upon one of their deaths, the funds go to the

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Open-Ended Questions Improve Member Feedback

Most people love to talk about themselves. Effective sales and service providers recognize this and encourage conversation to provide great service.

Get members talking by asking open-ended questions requiring more than a one-word answer. Starting a sentence or question with "Tell me," "What's your opinion," and "How do you feel" almost force the responder to elaborate. Open-ended questions enable you to gather valuable information about members' needs and develop relationships.

Closed-ended questions, on the other hand, often start with "Did you," "Would you," or "Could you." Members simply can

respond to them with a yes or no.

Asking open-ended questions is a skill that must be honed and practiced. You have to consciously think about giving someone else the podium.

That's important, because open-ended questions:

► **Demonstrate a genuine interest in the member.** You're asking for their opinions vs. telling them yours. This dance between asking and telling is an important one.

Ask, for example, "What's important to you in a ____?" Fill in the blank with "credit union" or a product or service you think might benefit the member. Then follow the member's lead.

► **Can better identify needs.** Without asking probing questions, you're guessing which products are best for your members.

When a member asks about an account, for example, avoid the "spray and pray," pouring out all sorts of information hoping something will stick. Instead, ask what's important to them, and they'll tell you what they want.

For new members, it's especially effective to say, "Tell me a little bit about yourself." This can provide clues to appropriate products and services. For example, the member may say, "I just moved

here from Florida." Probe further and ask, "Are you looking for a house?" If so, offer a mortgage.

► **Create happier members.** Members are more engaged in meaningful dialogue. They walk away knowing the credit union is a different kind of financial institution.

When people join the credit union, ask how they heard about it. If it's a personal or business referral, demonstrate goodwill by taking the extra step to send an acknowledgement.

► **Show you're a professional.** You're proficient at gathering information to help your member. That helps you select the right product or service genuinely benefiting the member.

When you engage people in talking about themselves, they share information about life events such as college, marriage, jobs, children, and retirement. These life events often translate into financial needs your credit union can meet. ■

LYNN GIULIANI is president and founder of Progressions Inc., a Bellingham, Wash.-based consulting company specializing in customized sales, service, and leadership training for financial institutions. Reach her at 360-733-6557 or at lynn@progressionsinc.net.

ABOVE & Beyond

The people-helping-people philosophy is alive and well in credit unions. We'd like to share your stories about front-line staff going above and beyond to provide outstanding member service.

Please send your stories to cuf frontline@cuna.com.

Credit Union
FrontLine

PROJECT
LEAP
LEARNING, ENGAGEMENT, AND PERFORMANCE

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Publisher: Roger Napiewocki. Editorial staff: Kathryn Kuehn, director of CU periodicals, kkuehn@cuna.com; Sue Lamphier, managing editor, slamphier@cuna.com

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