

Ask a Trust Officer

Bank Failure

DEAR TRUST OFFICER:

If a bank fails, what happens to the trust accounts?

I'VE GOT THE JITTERS.

DEAR JITTERS: Unlike bank deposits, which become assets of the bank on its balance sheets, the assets of trust accounts are held completely separate from a bank's own assets. The creditors of the bank have no access to its trust assets. The bank cannot borrow against the value of trust assets, nor can it lend the assets themselves for any purpose. In the unlikely event of a bank failure, its trust accounts would be transferred to a healthy bank under the supervision of government regulators.

Do you have a question concerning wealth management or trusts?

Send your inquiry to HeartlandTrust@hbtbank.com.

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