Mutual Fund Investor “Lost” Accounts

Overview:

» States are becoming more aggressive in deeming financial accounts “lost” and claiming them

» States claim, liquidate and use accounts

» Mutual fund owners are at risk

» Accounts can easily be deemed lost

» Investors should reach out and protect accounts

» Investors also should search for and reclaim “lost” money

» ICI provides more information on “lost” accounts
States Increasingly Are Deeming Financial Accounts “Lost” and Claiming Them

» States are holding more than $40 billion in property deemed “lost,” “abandoned,”—or “unclaimed” including mutual fund accounts.
States return the account only when the owner finds and reclams it.
Mutual Fund Owners Are at Risk

» Everyone with a financial account is at risk
Accounts Can Easily Be Deemed “Lost”

» States are using increasingly aggressive tactics to deem accounts “lost,” enabling them to claim the assets
  » Federal law requires funds to search for owners
  » After a certain period, states seize accounts and use the revenue

» Two basic tests states use to deem accounts “lost”
  » Mail sent to owner is undeliverable or returned
  » No contact from the owner for three to seven years
    » Automated account features don’t necessarily count as “contact”
Investors: Reach Out and Protect Your Accounts

» Investors need to and can protect their money

  - CONTACT your financial institution
  - UPDATE your address
  - OPEN and review all mail

» ICI and fund companies are taking steps to help investors
  » Industry protocols to track shareholder contact
  » Proactive fund outreach to confirm shareholder accounts
Investors: Search for and Reclaim “Lost” Money

» ProtectYourFinances.org tells how to search for “lost” accounts
  » Search your name, friends’ and family members’ names
  » Search every state you’ve lived in

» Contact state to reclaim accounts
  » Can be a cumbersome process

» Act soon to reclaim lost accounts
  » Mutual fund investors only get account value at time of liquidation
  » Investors lose out on growth opportunity and account earnings
More Information on “Lost” Accounts

ProtectYourFinances.org