

## My parents died and now their creditors are calling me to pay their debts!

When your parents die owing money, are you responsible for paying that money back?

- **In general, no.** Unless you co-signed on a loan or other credit account with them, in general you are not responsible for those debts.
- During the settling of your parents' estate, **the executor of the estate has a duty to sell assets of the estate and use the proceeds to pay creditors.** If there are not enough assets to fully pay creditors, then they won't get fully paid from the estate.
- **Retirement plans, IRA, 401(k), or similar** - If you are not listed as a beneficiary on the retirement account, the money in that account goes into your parents' estate like any other money and can be used to pay their creditors.
- **Medical debt - Medicaid** - If your parent received Medicaid, the medical insurance program for people who can't afford care, the state where your parent died can recover the payments it made from the time your parent was 55 until death. But that recovery is from your parents' estate, not from you.
- **Medical debt - Other** - Some states have what are known as "filial responsibility" laws that require adult children to pay for a deceased parent's unpaid medical debts, such as those to hospitals or nursing homes, when the estate cannot. We won't cover state filial responsibility laws in this article; you'll need to check with an attorney in your parents' state to see if any such law applies to you.
- **Mortgage debt** - If you inherit a home with a mortgage on it, you'll need to talk to an estate lawyer familiar with state and federal laws governing that situation.

**So the good news is that unless you fit within one of the exceptions, you do not have to pay your parents' debts no matter what debt collectors might tell you. And you probably won't have to consider filing bankruptcy because of your parents' debts.**

**Is anyone in the family in a position to pay this? Collecting debts from the grave, and bankruptcy...**

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