§ 54C-169. Right of setoff on deposit accounts.

(a) A savings bank shall have a right of setoff, without further agreement or pledge, upon all deposit accounts owned by any member or customer to whom or upon whose behalf the savings bank has made an unsecured advance of money by loan. Upon default in the repayment or satisfaction thereof, the savings bank may cancel on its books all or any part of the deposit accounts owned by the member or customer, and apply the value of the accounts in payment of the obligation.

(b) A savings bank that exercises the right of setoff provided in this section shall first give 30 days' notice to the member or customer that the right will be exercised. The accounts may be held or frozen, with no withdrawals permitted, during the 30-day notice period. The accounts may not be canceled and the value of the accounts may not be applied to pay the obligation until the 30-day period has expired without the member or customer having cured the default on the obligation. The amount of any member's or customer's interest in a joint account or other account held in the names of more than one person is subject to the right of setoff provided in this section.

(c) This section is not exclusive, but shall be in addition to contract, common law, and other rights of setoff. Any other rights are not governed in any fashion by this section. (1991, c. 680, s. 1.)