

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 665

Short Title: Joint/Trust/Agency Account Changes.

(Public)

Sponsors: Senator Staton.

Referred to: Banks and Thrift.

March 27, 1989

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CHANGES RELATING TO JOINT, TRUST,
AND PERSONAL AGENCY ACCOUNTS AT FINANCIAL INSTITUTIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 54B-129(a), as amended by Section 5 of Chapter 1078 of the
1987 Session Laws, reads as rewritten:

"(a) Any two or more persons may open or hold a withdrawable account or
accounts. The withdrawable account and any balance thereof shall be held by them as
joint tenants, with or without right of survivorship, as the contract shall provide; the
account may also provide, or may be held pursuant to G.S. 41-2.1 and have incidents set
forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1
the contract shall set forth that fact as well. fact.—Unless the persons establishing the
account have directed that withdrawals require more than one signature, payment by the
association to, or on the order of, any persons holding an account authorized by this
section shall be a total discharge of the association's obligation as to the amount so paid.
A pledge of such account by any holder or holders shall, unless otherwise specifically
agreed upon, be a valid pledge and transfer of such account, or of the amount so
pledged, and shall not operate to sever or terminate the joint ownership of all or any part
of the account. Persons establishing an account under this section shall sign a statement
showing their decision in regard to the right of survivorship in the account, and
containing the following language in a conspicuous manner:

**‘SAVINGS AND LOAN (OR NAME OF INSTITUTION)
JOINT ACCOUNT**

G.S. 54B-129

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3 We understand that by establishing a joint account under the provisions of North
4 Carolina General Statute 54B-129 that:

- 5 1. The savings and loan association (or name of institution) may pay the
6 money in the account to, or on the order of, any person named in the
7 account unless we have directed that withdrawals require more than
8 one signature; and
- 9 2. If we elect to create the right of survivorship in the account, that upon
10 the death of one joint owner the money remaining in the account will
11 belong to the surviving joint owners and will not be inherited by the
12 heirs of the deceased joint owner or be controlled by the deceased joint
13 owner's will.

14 We _____-[write in "do" or "do not"] elect to create the right of survivorship in
15 this account.
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18 This section shall not be deemed exclusive. Deposit accounts not conforming to this
19 section shall be governed by other applicable provisions of the General Statutes or the
20 common law as appropriate."

21 Sec. 2. G.S. 53-146.1(a), as amended by Section 1 of Chapter 1078 of the
22 1987 Session Laws, reads as rewritten:

23 "(a) Any two or more persons may establish a deposit account or accounts by
24 written contract. The deposit account and any balance thereof shall be held for them as
25 joint tenants, with or without right of survivorship, as the contract shall provide; the
26 account may also provide, or may be held pursuant to G.S. 41-2.1 and have the incidents
27 set forth in that section, provided, however, if the account is held pursuant to G.S. 41-
28 2.1 the contract shall set forth that ~~fact-~~ fact as well. Unless the persons establishing the
29 account have directed that withdrawals require more than one signature, payment by the
30 bank to, or on the order of, any persons designated in the contract authorized by this
31 section shall be a total discharge of the bank's obligation as to the amount so paid. A
32 pledge of such account by any owner or owners, unless otherwise specifically agreed
33 upon, shall be a valid pledge and transfer of such account, or of the amount so pledged,
34 and shall not operate to sever or terminate the joint ownership of all or any part of the
35 account. Persons establishing an account under this section shall sign a statement
36 showing their decision in regard to the right of survivorship in the account, and
37 containing the following language in a conspicuous manner:

38 **'BANK (OR NAME OF INSTITUTION) JOINT ACCOUNT**

39 **G.S. 53-146.1**

40 We understand that by establishing a joint account under the provisions of North
41 Carolina General Statute 53-146.1 that:

- 42 1. The bank (or name of institution) may pay the money in the account
43 to, or on the order of, any person named in the account unless we have
44 directed that withdrawals require more than one signature; and

1 2. If we elect to create the right of survivorship in the account, that upon
2 the death of one joint owner the money remaining in the account will
3 belong to the surviving joint owners and will not be inherited by the
4 heirs of the deceased joint owner or be controlled by the deceased joint
5 owner's will.

6 We _____-(write in "do" or "do not") elect to create the right of survivorship in
7 this account.

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11 This section shall not be deemed exclusive. Deposit accounts not conforming to this
12 section shall be governed by other common law provisions of the General Statutes or
13 the common law as appropriate."

14 Sec. 3. G.S. 54-109.58(a), as amended by Section 3 of Chapter 1078 of the
15 1987 Session Laws, reads as rewritten:

16 "(a) Shares may be issued to and deposits received from any two or more persons
17 opening or holding an account or accounts, but no joint tenant, unless a member in his
18 own right, shall be permitted to vote, obtain loans, or hold office or be required to pay
19 an entrance or membership fee. The account and any balance thereof shall be held by
20 them as joint tenants, with or without right of survivorship, as the contract shall provide;
21 the account may also provide, or may be held pursuant to G.S. 41-2.1 and have the
22 incidents set forth in that section, provided, however, if the account is held pursuant to
23 G.S. 41-2.1 the contract shall set forth that ~~fact~~ fact as well. Unless the persons
24 establishing the account have directed that withdrawals require more than one signature,
25 payment by the credit union to, or on the order of, any persons holding an account
26 authorized by this section shall be a total discharge of the credit union's obligations as to
27 the amount so paid. A pledge of such account by any holder or holders shall, unless
28 otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of
29 the amount so pledged, and shall not operate to sever or terminate the joint ownership of
30 all or any part of the account. Persons establishing an account under this section shall
31 sign a statement showing their decision in regard to the right of survivorship in the
32 account, and containing the following language in a conspicuous manner:

33

‘CREDIT UNION (OR NAME OF INSTITUTION) JOINT ACCOUNT

34

G.S. 54-109.58

35 We understand that by establishing a joint account under the provisions of North
36 Carolina General Statute 54-109.58 that:

37

1. The credit union (or name of institution) may pay the money in the
38 account to, or on the order of, any person named in the account unless
39 we have directed that withdrawals require more than one signature;
40 and

41

2. If we elect to create the right of survivorship in the account, that upon
42 the death of one joint owner the money remaining in the account will
43 belong to the surviving joint owners and will not be inherited by the

1 heirs of the deceased joint owner or be controlled by the deceased joint
2 owner's will.

3 We _____-[write in "do" or "do not"] elect to create the right of survivorship in
4 this account.

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8 This section shall not be deemed exclusive. Deposit accounts, not conforming to
9 this section shall be governed by other applicable provisions of the General Statutes or
10 the common law as appropriate."

11 Sec. 4. G.S. 54B-130(a), as amended by Section 6 of Chapter 1078 of the
12 1987 Session Laws, reads as rewritten:

13 "(a) If any person holding or opening a withdrawable account shall execute a
14 written agreement with the association containing a statement that it is executed
15 pursuant to the provisions of this subsection and providing for the account to be held in
16 the name of such person as trustee for not more than one person designated as
17 beneficiary, the account and any balance thereof shall be held as a trust account and:

- 18 (1) The trustee during the trustee's lifetime may change the designated
19 beneficiary by a written direction to the association; and
- 20 (2) The trustee may withdraw or receive payment in cash or check payable
21 to the trustee's personal order, and such payment or withdrawal shall
22 constitute a revocation of the agreement as to the amount withdrawn;
23 and
- 24 (3) Upon the death of the trustee, the person designated as beneficiary, if
25 such person is living at the death of the trustee, shall be the holder of
26 the account, and payment by the association to the holder shall be a
27 total discharge of the association's obligation as to the amount paid.

28 The person establishing an account under this subsection shall sign a statement
29 containing the following language in a conspicuous manner:

30
31 **‘SAVINGS AND LOAN (OR NAME OF INSTITUTION)**
32 **TRUST ACCOUNT**
33 **G.S. 54B-130(A)**
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35 I understand that by establishing a trust account under the provisions of North
36 Carolina General Statute 54B-130(a) that:

- 37 1. During my lifetime I may withdraw the money in the account; and
 - 38 2. By written direction to the savings and loan association (or name of
39 institution) I may change the beneficiary; and
 - 40 3. Upon my death the money remaining in the account will belong to the
41 beneficiary, and the money will not be inherited by my heirs or be
42 controlled by my will.
- 43

1 This section shall not be deemed exclusive. Deposit accounts not conforming to this
2 section shall be governed by other applicable provisions of the General Statutes or the
3 common law, as appropriate."

4 Sec. 5. G.S. 53-146.2(a) as amended by Section 1 of Chapter 1078 of the
5 1987 Session Laws, reads as rewritten:

6 "(a) If any person establishing a deposit account shall execute a written agreement
7 with the bank containing a statement that it is executed pursuant to the provisions of this
8 subsection and providing for the account to be held in the name of such person as
9 trustee for not more than one person designated as beneficiary, the account and any
10 balance thereof shall be held as a trust account, and:

- 11 (1) The trustee during the trustee's lifetime may change the designated
12 beneficiary by a written direction to the bank; and
- 13 (2) The trustee may withdraw or receive payment in cash or check payable
14 to the trustee's personal order, and such payment or withdrawal shall
15 constitute a revocation of the agreement as to the amount withdrawn;
16 and
- 17 (3) Upon the death of the trustee, the person designated as beneficiary, if
18 such person is living at the death of the trustee, shall be the owner of
19 the account, and payment by the bank to such owner shall be a total
20 discharge of the bank's obligation as to the amount paid.

21 The person establishing an account under this subsection shall sign a statement
22 containing the following language in a conspicuous manner:

23 **'BANK (OR NAME OF INSTITUTION) TRUST ACCOUNT**
24 **G.S. 53-146.2**

25 I understand that by establishing a trust account under the provisions of North
26 Carolina General Statute 53-146.2 that:

- 27 1. During my lifetime I may withdraw the money in the account; and
- 28 2. By written direction to the bank (or name of institution) I may change
29 the beneficiary; and
- 30 3. Upon my death the money remaining in the account will belong to the
31 beneficiary and the money will not be inherited by my heirs or be
32 controlled by will.

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35 This section shall not be deemed exclusive. Deposit accounts not conforming to this
36 section shall be governed by other applicable provisions of the General Statutes or the
37 common law, as appropriate."

38 Sec. 6. G.S. 54-109.57(a), as amended by Section 2 of Chapter 1078 of the
39 1987 Session Laws, reads as rewritten:

40 "(a) Shares may be issued to and deposits received from any person holding or
41 opening an account who shall execute a written agreement with the credit union
42 containing a statement that it is executed pursuant to the provisions of this subsection
43 and providing for the account to be held in the name of such person as trustee for not

1 more than one person designated as beneficiary, the account and any balance thereof
2 shall be held as a trust account, and:

- 3 (1) The trustee during the trustee's lifetime may change the designated
4 beneficiary by a written direction to the credit union; and
- 5 (2) The trustee may withdraw or receive payment in cash or check payable
6 to the trustee's personal order, and such payment or withdrawal shall
7 constitute a revocation of the agreement as to the amount withdrawn;
8 and
- 9 (3) Upon the death of the trustee, the person designated as beneficiary, if
10 such person is living at the death of the trustee, shall be the holder of
11 the account, and payment by the credit union to the holder shall be a
12 total discharge of the credit union's obligation as to the amount paid.

13 The person establishing an account under this subsection shall sign a statement
14 containing the following language in a conspicuous manner:

15 **'CREDIT UNION (OR NAME OF INSTITUTION) TRUST ACCOUNT**
16 **G.S. 54-109.57**

17 I understand that by establishing a trust account under the provisions of North
18 Carolina General Statute 54-109.57 that:

- 19 1. During my lifetime I may withdraw the money in the account; and
- 20 2. By written direction to the credit union (or name of institution) I may
21 change the beneficiary; and
- 22 3. Upon my death the money remaining in the account will belong to the
23 beneficiary, and the money will not be inherited by my heirs or be
24 controlled by my will.

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27 This section shall not be deemed exclusive. Deposit accounts not conforming to this
28 section shall be governed by other applicable provisions of the General Statutes or the
29 common law, as appropriate."

30 Sec. 7. G.S. 54B-139(a), as amended by Section 7 of Chapter 1078 of the
31 1987 Session Laws, reads as rewritten:

32 "(a) A person may open a personal agency account by written contract containing
33 a statement that it is executed pursuant to the provisions of this section. A personal
34 agency account may be a checking account, savings account, time deposit, or any other
35 type of withdrawable account or certificate. The written contract shall name an agent
36 who shall have authority to act on behalf of the depositor in regard to the account as set
37 out in this subsection. The agent shall have the authority to:

- 38 (1) Make, sign or execute checks drawn on the ~~account;~~ account or
39 otherwise make withdrawals from the account;
- 40 (2) Endorse checks made payable to the principal for deposit only into the
41 account; and
- 42 (3) Deposit cash or negotiable instruments, including instruments
43 endorsed by the principal, into the account.

1 A person establishing an account under this section shall sign a statement containing the
2 following language in a conspicuous manner:

3
4 **‘SAVINGS AND LOAN (OR NAME OF INSTITUTION)**
5 **PERSONAL AGENCY ACCOUNT**
6 **G.S. 54B-139**
7

8 I understand that by establishing a personal agency account under the provisions of
9 North Carolina General Statute 54B-139 that the agent named in the account may:

- 10 1. Sign checks drawn on the account; and
11 2. Make deposits into the account.

12 I also understand that upon my death the money remaining in the account will be
13 controlled by my will or inherited by my heirs.

14 ""

15 Sec. 8. G.S. 53-146.3(a), as amended by Section 1 of Chapter 1078 of the
16 1987 Session Laws, reads as rewritten:

17 "(a) Any person may establish a personal agency account by written contract
18 containing a statement that it is executed pursuant to the provisions of this section. A
19 personal agency account may be a checking account, savings account, time deposit, or
20 any other type of withdrawable account or certificate. The written contract shall name
21 an agent who shall have authority to act on behalf of the depositor in regard to the
22 account in the actions set out in this subsection. The agent shall have the authority to:

- 23 (1) Make, sign or execute checks drawn on the ~~account;~~ account or
24 otherwise make withdrawals from the account;
25 (2) Endorse checks made payable to the principal for deposit only into the
26 account; and
27 (3) Deposit cash or negotiable instruments, including instruments
28 endorsed by the principal, into the account.

29 A person establishing an account under this section shall sign a statement containing the
30 following language in a conspicuous manner:

31 **‘BANK (OR NAME OF INSTITUTION) PERSONAL AGENCY ACCOUNT**
32 **G.S. 53-146.3**

33 I understand that by establishing a personal agency account under the provisions of
34 North Carolina General Statute 53-146.3 that the agent named in the account may:

- 35 1. Sign checks drawn on the account; and
36 2. Make deposits into the account.

37 I also understand that upon my death the money remaining in the account will be
38 controlled by my will or inherited by my heirs.

39
40 ""

41 Sec. 9. G.S. 54-109.63(a), as amended by Section 4 of Chapter 1078 of the
42 1987 Session Laws, reads as rewritten:

43 "(a) A person may open a personal agency account by written contract containing
44 a statement that it is executed pursuant to the provisions of this section. A personal

1 agency account may be a checking account, savings account, time deposit, or any other
2 type of withdrawable account or certificate. The written contract shall name an agent
3 who shall have authority to act on behalf of the depositor in regard to the account as set
4 out in this subsection. The agent shall have the authority to:

- 5 (1) Make, sign or execute checks drawn on the ~~account;~~ account or
6 otherwise make withdrawals from the account;
- 7 (2) Endorse checks made payable to the principal for deposit only into the
8 account; and
- 9 (3) Deposit cash or negotiable instruments, including instruments
10 endorsed by the principal, into the account.

11 A person establishing an account under this section shall sign a statement containing the
12 following language in a conspicuous manner:

13 **‘CREDIT UNION (OR NAME OF INSTITUTION) PERSONAL AGENCY**
14 **ACCOUNT**
15 **G.S. 54-109.63**

16 I understand that by establishing a personal agency account under the provisions of
17 North Carolina General Statute 54-109.63 that the agent named in the account may:

- 18 1. Sign checks drawn on the account; and
- 19 2. Make deposits into the account.

20 I also understand that upon my death the money remaining in the account will be
21 controlled by my will or inherited by my heirs.

22 ""

23
24 Sec. 10. This act shall become effective July 1, 1989.