

Legislative Analysis



JOINT BANK ACCOUNT DISCLOSURE FORM

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House Bill 5730
Sponsor: Rep. Gino Polidori

House Bill 5732
Sponsor: Rep. Mary Valentine

House Bill 5731
Sponsor: Rep. Marc Corriveau

House Bill 5733
Sponsor: Rep. Robert Dean

Committee: Senior Health, Security, and Retirement

Complete to 3-10-08

A SUMMARY OF HOUSE BILLS 5730-5733 AS INTRODUCED 2-13-08

The bills, generally speaking, would require financial institutions, when one or more customers establish a joint account (or when a multiple-party account is established), to provide each joint account holder a written summary of his or her rights and responsibilities concerning use of the account.

House Bill 5730 would amend the Savings Banks Act (MCL 487.3101 et al.). House Bill 5731 would amend Public Act 41 of 1968, which deals with multi-party accounts at credit unions, (MCL 490.51 et al.). House Bill 5732 would amend the Banking Code of 1999 (MCL 487.11101 et al.). House Bill 5733 would amend the Savings and Loan Act of 1980 (MCL 491.102 et al.).

Under the bills, if the terms of the account allow each of the account holders to withdraw all of the money in the account without notice to or consent of the other account holders, and provide that the surviving account holders would become the owners of that account when the account holder dies, then the financial institution would be required to provide each account holder with the following disclosure in writing before opening the account:

"A joint account means that each account holder is the owner of the money in this account. This means that you and each of the other account holders have the authority to deposit or withdraw money from this account at any time. If that is not your intention, you should not open this account.

If it is your intention that the other account holder(s) receive the money in the account only when you die, there are other types of accounts available that designate other individuals as beneficiaries of the account and do not allow them access to the money in the account during your lifetime.

If it is your intention to open an account that designates one or more individuals as beneficiaries of your account when you die, and not to create a joint account, please let us know."

Under the bills, the financial institution would be required to read the disclosure to each account holder and require each account holder to sign and deliver to the financial institution an acknowledgment that it has complied with its obligations.

FISCAL IMPACT:

The bills would have no apparent fiscal impact on state or local government.

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