

## JOINT BANK ACCOUNT DISCLOSURE FORM

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5730 (Substitute H-1)**  
**Sponsor: Rep. Gino Polidori**

**House Bill 5732 (Substitute H-1)**  
**Sponsor: Rep. Mary Valentine**

**House Bill 5731 (Substitute H-1)**  
**Sponsor: Rep. Marc Corriveau**

**House Bill 5733 (Substitute H-1)**  
**Sponsor: Rep. Robert Dean**

**Committee: Senior Health, Security, and Retirement**

**Complete to 3-13-08**

## A SUMMARY OF HOUSE BILLS 5730-5733 AS REPORTED FROM COMMITTEE

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.).

The bills would require financial institutions, when one or more customers apply to establish a joint account (or apply to establish a multiple-party account) to provide each joint 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 also require each account holder to sign and deliver to the financial institution a written acknowledgement that he or she had read and understands the disclosure. A financial institution could include the disclosure and notice on or with any signature card it required from the joint account holders in connection with the account.

**FISCAL IMPACT:**

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

**ARGUMENTS:*****For:***

Supporters believe an extra measure of protection should be afforded older adults to curb financial abuses and exploitation. Often poor health, the death of a spouse, or extended travel would suggest the need to add an adult relative or grandchild to a bank account to "step in" as the back-up to manage financial matters. Although the intention is usually noble, abuses do occur. The bills ask for a simple disclosure statement to be issued to the account owner (the older person) before opening a joint or multiple bank accounts. It is a small step that provides an extra layer of protection for older adults.

***Against:***

Opponents say although they support the goal of protecting seniors from financial abuse and exploitation, the bills are unnecessary and are duplicative regulation. A disclosure statement is given and explained to account holders before bank accounts are established. Requiring financial institutions provide another disclosure form to customers would restrict the time needed to provide services to their customers. It would be more advantageous to focus enforcement efforts on the individuals who are exploiting seniors rather the institutions that serve their financial needs.

**POSITIONS:**

Office of Services to the Aging supports the bills. (3-11-08)

Elder of Law of Michigan testified in support of the bills. (3-11-08)

Michigan Bankers Association opposes the bills. (3-11-08)

Michigan Credit Union League testified in opposition to the bills. (3-11-08)

Legislative Analyst: E. Best  
Fiscal Analyst: Mark Wolf

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.