

**ELECTRONIC FUNDS TRANSFERS (EXCERPT)**  
**Act 322 of 1978**

**488.15 Notification of electronic fund transfer error; investigation; report; notification requirements; requirements of report to customer; meaning of electronic fund transfer error; placing hold on funds in account; closing account; report; correction resulting in credit to account; crediting account with interest.**

Sec. 15. (1) If a customer notifies a financial institution orally or in writing within 60 days after receipt of the statement, that an electronic fund transfer error affecting the customer's account with the financial institution has occurred, the financial institution shall investigate the alleged error and report the results of the investigation to the customer within 10 business days.

(2) A financial institution may require that notification be made to a specified phone number, office, or individual during business hours and that the customer verify the oral notification in writing within 14 calendar days following oral notification on a form to be provided by the financial institution for that purpose.

(3) The financial institution's report to the customer shall do either of the following:

(a) Provisionally correct the amount in question and provide the customer with written notification of the correction and, if the correction is not in the exact amount of the alleged error, provide the customer with a written explanation of any difference between the alleged error and correction made. A financial institution making a provisional correction to the customer's account may charge back the corrected amount to the customer's account 15 days after providing notification and an explanation of the charge-back to the customer. A provisional correction shall become final not later than 60 days after the day it is made. A provisional correction shall be accompanied by a notice explaining to the customer that the amount of the correction may be charged back to the customer's account within 60 days.

(b) Provide the customer with a written explanation, stating the reason the financial institution believes the statement is correct.

(4) For purposes of this section, an electronic fund transfer error consists of:

(a) An unauthorized electronic fund transfer.

(b) An incorrect electronic fund transfer from or to the customer's deposit account.

(c) The omission of an electronic fund transfer affecting the customer's account.

(5) A financial institution which receives a notice under subsection (1) shall not place a hold on the funds in the account which are in excess of the amount in dispute. If the financial institution closes the account in which the disputed funds are held, the financial institution shall provide the report to the customer required by subsection (3). This section shall not be construed or interpreted to prohibit a financial institution from placing a hold on a customer's account as permitted by law or contract.

(6) If the correction of an error relating to a transaction engaged in through a funds transfer facility in an account of a customer results in a credit to the account, the financial institution shall additionally credit the account with interest which would have been paid to the customer by the financial institution if there had not been an error.

**History:** 1978, Act 322, Eff. Jan. 1, 1979.