

Legislative Analysis



JOINT BANK ACCOUNT DISCLOSURE FORM

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

House Bill 4622
Sponsor: Rep. Gino Polidori

House Bill 4624
Sponsor: Rep. Mary Valentine

House Bill 4623
Sponsor: Rep. Marc Corriveau

House Bill 4625
Sponsor: Rep. Robert Dean

Committee: Senior Health, Security and Retirement

Complete to 6-1-10

A SUMMARY OF HOUSE BILLS 4622-4625 AS INTRODUCED 3-18-09

House Bill 4622 would amend the Savings Banks Act (MCL 487.3101 et al.). House Bill 4623 would amend Public Act 41 of 1968, which deals with multi-party accounts at credit unions, (MCL 490.51 et al.). House Bill 4624 would amend the Banking Code of 1999 (MCL 487.11101 et al.). House Bill 4625 would amend the Savings and Loan Act of 1980 (MCL 491.102 et al.).

The bills would require financial institutions, if one or more customers apply to establish a joint account (or apply to establish a multiple-party account), to do all of the following before opening an account:

Provide each account holder with the following disclosure in writing:

"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, there are other accounts available."

Under the bills, a 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.

Legislative Analyst: E. Best
Fiscal Analyst: Mark Wolf

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