

Part 6 Deposit Accounts

7-1-601 Adverse claim to account in depository institution -- Notice required -- Bond may be required for payment.

Receipt of a notice of an adverse claim to a deposit or other account standing on the books of any depository institution doing business in this state does not obligate the depository institution to the adverse claimant, unless the notice is given pursuant to an appropriate court order, obtained by the adverse claimant in a legal action instituted by him in which the person to whose credit the deposit stands is made a party. Such depository institution may also pay the adverse claim, if the claimant executes to the depository institution a good and sufficient bond in double the amount claimed, indemnifying it from any and all liability, loss, damage, costs and expenses including attorneys' fees for and on account of the payment of the adverse claim or the dishonor of a check or other instrument of the person to whose credit the deposit stands on its books.

Enacted by Chapter 16, 1981 General Session

7-1-602 Final settlement of transaction account -- Limitation of action on accuracy of statement -- Duty to examine statement and notify of errors unaffected.

- (1) Two years after a statement of a checking or other transaction account has been rendered to a depositor, the account shall be considered finally adjusted and settled and its correctness conclusively presumed as of the date the statement is rendered.
- (2) The depositor may not maintain an action on the correctness or accuracy of the statement of account unless it is commenced within two years next after the date the statement was rendered.
- (3) For the purpose of this section a statement of account shall be considered rendered if at the time the statement is purported to have been made, the depository institution in the course of its business regularly mailed or otherwise delivered to its depositor customers monthly or at other regular intervals statements of their checking and other transaction accounts, itemizing debit and credit entries.
- (4) The date the statement is rendered is considered to be the first day of the month following the period covered by the statement as evidenced by the record of the account kept by the depository institution.
- (5) Nothing in this section relieves a depositor from the duties imposed under Section 70A-4-406 to examine the statement of account, when rendered by the depository institution, and to immediately notify the depository institution of any errors discovered in it, nor from the legal consequences of neglect of those duties.

Enacted by Chapter 16, 1981 General Session

7-1-603 Final settlement of savings account -- Limitation of action on accuracy of statement.

- (1) If the depository institution in the course of its business regularly records the credit balances of savings accounts in the savings account passbooks of its depositors or renders statements of the credit balances in their savings accounts at regular intervals, the credit balance of any savings account with the depository institution as evidenced by its records is considered, after a period of six years from the date of the credit balance as shown by these records, to be finally adjusted and settled and its correctness is conclusively presumed.

- (2) The owner of the savings account may not maintain an action on the correctness or accuracy of the credit balance, unless it is commenced within the six-year period described in Subsection (1).

Enacted by Chapter 16, 1981 General Session

7-1-604 Savings accounts -- Qualifications to hold -- Representation -- Transfer -- Holder treated as owner -- Exception.

- (1) Savings accounts may be opened and held solely and absolutely by any adult or minor individual, male or female, single or married in his or her own right or in trust or other fiduciary capacity for any such adult or minor.
- (2) Savings accounts shall be represented only by the account of each savings account holder on the books of the depository institution.
- (3) Savings accounts shall be transferable only on the books of the depository institution and only upon written application. Acceptance by the institution of the transferee as an account holder may only be upon terms approved by its board of directors. Nothing in this subsection shall be construed as prohibiting the transfer of part or all of the funds in a transaction account to a third party by means of checks, drafts, or other instruments or by electronic means.
- (4) The institution may treat the holder of record of a savings account as the owner of the account for all purposes and may disregard any notice to the contrary, unless the institution has acknowledged, in writing, notice of a pledge of the savings account.

Enacted by Chapter 16, 1981 General Session

7-1-605 Savings accounts -- Special terms to be in writing.

Any special terms and provisions applicable to a savings account, the ownership of a savings account, or the conditions upon which withdrawals may be made, or all of those, shall be clearly and truthfully set forth in writing. The provisions appearing on a signature card or in rules and regulations for the account shall satisfy the foregoing requirements of this section.

Enacted by Chapter 16, 1981 General Session

7-1-606 Savings accounts and credit union share accounts -- Form of ownership certificate.

A certificate of ownership may be issued to each savings account or credit union share account holder of record as shown by the books of the institution and may be in separate certificate form, or from time to time incorporated in an account book, statement of account, certificate of savings account withdrawal value, or card, device or other evidence or means of access or identity or may be shown in book entry form on the books of the institution, at the discretion of the institution. An account established in statement, book entry or other form shall be evidenced by a written agreement and deposits shall be confirmed by issuance of a receipt or advice.

Amended by Chapter 8, 1983 General Session

7-1-607 Lost or destroyed account book or certificate.

If the holder of record of an account as shown by the books of a depository institution, or his legal representative, files with the institution an affidavit to the effect that the account book or certificate has been lost or destroyed and has not been pledged or assigned in whole or in part, the institution shall issue a new account book or certificate in the name of the holder of record.

The new account book or certificate shall state that it is issued in lieu of the one lost or destroyed. The institution is not liable thereafter on the original account book or certificate. However, the board of directors of the institution shall, if in its judgment it is necessary, require a bond in an amount it considers sufficient to indemnify the institution against any loss which might result from the issuance of the new account book or certificate.

Amended by Chapter 378, 2010 General Session

7-1-608 School or institutional savings plans authorized.

A depository institution may contract with any public or non-public elementary or secondary school or institution of higher learning, or any public or charitable institution caring for minors, for the participation and implementation by the depository institution in any school or institutional savings plan, and it may accept savings accounts at the school or institution, either by its own collector or by any representative of the school or institution which becomes the agent of the depository institution for that purpose.

Enacted by Chapter 16, 1981 General Session

7-1-609 Payroll deduction savings -- Direct deposit of wages.

A depository institution may contract with an employer with respect to the:

- (1) solicitation, collection, and receipt of savings by payroll deduction to be credited to a designated account of an employer's employee who voluntarily elects to participate; or
- (2) direct deposit by electronic or other medium of wages or salary paid by the employer to the account of the employee in a depository institution upon the employee's designation in writing of the depository institution as the recipient of the deposits.

Amended by Chapter 90, 1996 General Session

7-1-610 Attorney-in-fact as to savings account -- Institution immune from liability.

Any depository institution may continue to recognize the authority of an attorney-in-fact authorized in writing to manage or to make withdrawals either in whole or in part from the savings account of a holder, whether minor or adult, until it is on actual notice of the revocation of his authority. No such institution shall be liable for damages, penalty, or tax by reason of any payment made under this section.

Enacted by Chapter 16, 1981 General Session

7-1-611 Deposit accounts of minors or married persons.

- (1) A depository institution may issue a deposit account to a married person or minor as the sole and absolute owner of the deposit account, and receive payment on the account by or for the owner, and pay withdrawals, accept pledges to the institution, and act in any other manner with respect to the account on the order of the married person or minor.
- (2) A payment or delivery of rights to a married person or minor, or a receipt or acquisition signed by a married person or minor who holds a deposit account, shall be a valid and sufficient release and discharge of the institution for any payment so made or delivery of rights to the married person or minor.

- (3) In the case of a minor, the receipt, acquittance, pledge, or other action required by the institution to be taken by the minor shall be binding upon the minor with like effect as if the minor were of full age and legal capacity.
- (4) The parent or guardian of the minor may not in the capacity as parent or guardian have the power to attach or in any manner to transfer any deposit account issued to or in the name of the minor. However, in the event of the death of the minor, the receipt or acquittance of either parent or of a person standing in loco parentis to the minor shall be a valid and sufficient discharge of the institution for any sum or sums not exceeding in the aggregate \$2,500, unless the minor gave written notice to the institution not to accept the signature of the parent or person.

Amended by Chapter 182, 1996 General Session

7-1-612 Pledge or hypothecation of joint savings accounts.

The pledge or hypothecation to any depository institution of all or part of a savings account in joint tenancy signed by any tenant or tenants whether minor or adult, upon whose signature or signatures withdrawals may be made from the account shall, unless the terms of the savings account provide specifically to the contrary, be a valid pledge and transfer to the institution of that part of the account pledged or hypothecated, and does not operate to sever or terminate the joint and survivorship ownership of all or any part of the account.

Amended by Chapter 378, 2010 General Session

7-1-613 Incompetency of savings account owner.

When a savings account is held in any depository institution by a person who becomes incompetent and an adjudication of incompetency has been made by a court of competent jurisdiction, the institution may pay or deliver the withdrawal value of the savings account and any earnings that may have accrued on the account to the conservator for that person upon proof of his appointment and qualification. However, if the institution has received no written notice and is not on actual notice that the savings account holder has been adjudicated incompetent, it may pay or deliver the funds to the holder in accordance with the provision of the savings account contract, and the receipt or acquittance of the holder therefor shall be a valid and sufficient release and discharge of the institution for the payment or delivery so made.

Enacted by Chapter 16, 1981 General Session

7-1-616 Authority to accept transaction accounts -- Payment of instruments.

- (1) A financial institution may accept or advertise that it accepts transaction accounts only if authorized to do so under federal or state law. An institution may submit a written request for this authority to the commissioner, except that an institution authorized to accept transaction accounts as of June 1, 1994, does not, in the first instance, need to request or be granted any additional authority. The commissioner shall grant the authority if the commissioner finds that:
 - (a) the institution has adequate capital and reserves in relation to the character and condition of its assets and its deposit and other liabilities;
 - (b) the deposits and other accounts held by the institution are insured or guaranteed by an agency of the federal government; and
 - (c) the management of the institution is qualified to handle transaction accounts.

- (2) The commissioner may revoke, limit, or condition an institution's authority to accept and handle transaction accounts upon a finding that:
 - (a) the institution no longer meets the criteria set forth in Subsection (1); or
 - (b) it would be contrary to the public interest and the soundness of the financial system of this state to allow the institution to continue to accept or handle transaction accounts without limitation or condition.
- (3) One or more depository institutions may, by written agreement, vary the terms of Title 70A, Chapter 3, Uniform Commercial Code - Negotiable Instruments, and Chapter 4, Uniform Commercial Code - Bank Deposits and Collections, for the purposes of facilitating the transfer, exchange, and prompt payment of instruments drawn on transaction accounts.

Amended by Chapter 189, 2014 General Session

7-1-617 No concentration limit under state law.

- (1) There is no state deposit cap or concentration limit under Utah law. A depository institution or depository institution holding company may control any percentage of the total deposits held within this state by all depository institutions of the same class.
- (2) To the extent authorized by federal law, the commissioner may, on a case by case basis, waive any applicable federal deposit concentration limit that has the effect of being more limiting than Subsection (1). In making a decision to waive a federal deposit concentration limit, the commissioner shall apply a standard that does not discriminate against out-of-state depository institutions, upon a finding that the waiver promotes:
 - (a) the availability of financial services;
 - (b) the marketability of Utah depository institutions; or
 - (c) another public interest.
- (3) This section does not affect the applicability, if any, of antitrust law.

Enacted by Chapter 49, 1995 General Session

7-1-618 Deposit production offices prohibited.

- (1) Except as provided in Subsection (2), it is unlawful to establish or operate a deposit production office or similar office in this state for the purpose of soliciting deposits or similar evidence of indebtedness or participation interests in indebtedness.
- (2) This prohibition does not apply to:
 - (a) activities conducted at a main office or branch of the depository institution conducting the activities; or
 - (b) activities conducted at the main office or branch of an affiliate depository institution acting as an agent to the extent permitted under Section 7-1-716.

Enacted by Chapter 49, 1995 General Session

7-1-619 Savings promotion programs.

- (1) As used in this section:
 - (a) "Prize period" means a period of time, designated by a depository institution, during which a qualifying account holder may submit an entry into the depository institution's savings promotion program for a chance to win a prize designated as the prize for that period.

- (b) "Qualifying account" means a savings account that qualifies the savings account holder for an entry into the saving account's depository institution's savings promotion program each time the holder of the savings account:
 - (i) deposits a minimum amount of money specified by the depository institution into the savings account; and
 - (ii) leaves the minimum deposit in the savings account for no less than an amount of time specified by the depository institution.
 - (c) "Qualifying account holder" means a person who holds a qualifying account.
 - (d) "Savings promotion program" means a contest:
 - (i) that a depository institution conducts to encourage savings deposits; and
 - (ii) in which a qualifying account holder is offered a chance to win a designated prize for each entry submitted in association with the qualifying account holder's qualifying account.
- (2) A depository institution may conduct a savings promotion program if:
- (a) no qualifying account holder is required to:
 - (i) pay a fee or otherwise provide any consideration to submit an entry in the savings promotion program; or
 - (ii) be present at a prize drawing in order to win;
 - (b) any fee charged by a depository institution in connection with a qualifying account is comparable with a fee charged in connection with a comparable nonqualifying account the depository institution offers;
 - (c) any interest rate a depository institution associates with a qualifying account is comparable to an interest rate associated with a comparable nonqualifying account the depository institution offers;
 - (d) each entry in the savings promotion program during a single prize period has an equal chance of winning; and
 - (e) the depository institution:
 - (i) conducts the savings promotion program in a manner that does not:
 - (A) jeopardize the depository institution's ability to operate in a safe and sound manner; or
 - (B) mislead the depository institution's account holders; and
 - (ii) fully discloses the terms and conditions of the savings promotion program to each of the depository institution's account holders.
- (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commissioner may make rules that:
- (a) require a depository institution that conducts a savings promotion program to maintain all records the commissioner determines necessary for the administration and enforcement of this section; or
 - (b) ensure that a depository institution conducts a savings promotion program in accordance with this section.

Enacted by Chapter 169, 2019 General Session