

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H

1

HOUSE BILL 1117\*

Short Title: Conform Pledge of Joint Account Laws. (Public)

Sponsors: Representative Blust (Primary Sponsor).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Banking, if favorable, Judiciary Subcommittee A.

May 19, 2014

A BILL TO BE ENTITLED

AN ACT TO CONFORM THE LAW GOVERNING THE PLEDGE OF JOINT ACCOUNTS  
IN CREDIT UNIONS, SAVINGS AND LOAN ASSOCIATIONS, AND SAVINGS  
BANKS TO THE LAW GOVERNING THE PLEDGE OF JOINT ACCOUNTS IN  
BANKS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 54-109.58(d) reads as rewritten:

"(d) ~~A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account.~~ A pledge of a joint account by any one or more of the joint tenants, unless otherwise specifically agreed between the credit union and all joint tenants in writing, shall be a valid pledge and transfer of the account or of the amount so pledged, shall be binding upon all joint tenants, shall not operate to sever or terminate the joint ownership of all or any part of the account, and shall survive the death of any joint tenant."

**SECTION 2.** G.S. 54B-129(a) reads as rewritten:

"(a) Any two or more persons may open or hold a withdrawable account or accounts. The withdrawable account and any balance thereof shall be held by them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also be held pursuant to G.S. 41-2.1 and have incidents set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that fact as well. Unless the persons establishing the account have agreed with the association that withdrawals require more than one signature, payment by the association to, or on the order of, any persons holding an account authorized by this section shall be a total discharge of the association's obligation as to the amount so paid. Funds in a joint account established with right of survivorship shall belong to the surviving joint tenant or tenants upon the death of a joint tenant, and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established pursuant to the provisions of that section. Payment by the association of funds in the joint account to a surviving joint tenant or tenants shall terminate the personal representative's authority under G.S. 28A-15-10(a)(3) to collect against the association for the funds so paid, but the personal representative's authority to collect such funds from the surviving joint tenant or tenants is not terminated. ~~A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the~~



\* H 1 1 1 7 - V - 1 \*

1 ~~account. A pledge of a joint account by any one or more of the joint tenants, unless otherwise~~  
2 ~~specifically agreed between the association and all joint tenants in writing, shall be a valid~~  
3 ~~pledge and transfer of the account or of the amount so pledged, shall be binding upon all joint~~  
4 ~~tenants, shall not operate to sever or terminate the joint ownership of all or any part of the~~  
5 ~~account, and shall survive the death of any joint tenant.~~ ~~Persons~~

6 Persons establishing an account under this section shall sign a statement showing their  
7 election of the right of survivorship in the account, and containing language set forth in a  
8 conspicuous manner and substantially similar to the following:

9 "SAVINGS AND LOAN (or name of institution)  
10 JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP  
11 G.S. 54B-129  
12

13 We understand that by establishing a joint account under the provisions of North Carolina  
14 General Statute 54B-129 that:

- 15 1. The savings and loan association (or name of institution) may pay the money  
16 in the account to, or on the order of, any person named in the account unless  
17 we have agreed with the association that withdrawals require more than one  
18 signature; and
- 19 2. Upon the death of one joint owner the money remaining in the account will  
20 belong to the surviving joint owners and will not pass by inheritance to the  
21 heirs of the deceased joint owner or be controlled by the deceased joint  
22 owner's will.

23 We DO elect to create the right of survivorship in this account.  
24  
25

26 **SECTION 3.** G.S. 54C-165(a) reads as rewritten:

27 "(a) Any two or more persons may open or hold a withdrawable account or accounts.  
28 The withdrawable account and any balance of the account is held by them as joint tenants, with  
29 or without right of survivorship, as the contract shall provide. The account may also be held  
30 under G.S. 41-2.1 and have incidents set forth in that section, but if the account is held under  
31 G.S. 41-2.1, the contract shall set forth that fact as well. Unless the persons establishing the  
32 account have agreed with the savings bank that withdrawals require more than one signature,  
33 payment by the savings bank to, or on the order of, any persons holding an account authorized  
34 by this section is a total discharge of the savings bank's obligation as to the amount so paid.  
35 Funds in a joint account established with the right of survivorship shall belong to the surviving  
36 joint tenant or tenants upon the death of a joint tenant, and the funds are subject only to the  
37 personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided  
38 in G.S. 41-2.1 if the account is established under that section. Payment by the savings bank of  
39 funds in the joint account to a surviving joint tenant or tenants shall terminate the personal  
40 representative's authority under G.S. 28A-15-10(a)(3) to collect against the savings bank for the  
41 funds so paid, but the personal representative's authority to collect the funds from the surviving  
42 joint tenant or tenants is not terminated. ~~A pledge of the account by a holder shall, unless~~  
43 ~~otherwise specifically agreed upon, be a valid pledge and transfer of the account, or of the~~  
44 ~~amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any~~  
45 ~~part of the account.~~ A pledge of a joint account by any one or more of the joint tenants, unless  
46 otherwise specifically agreed between the savings bank and all joint tenants in writing, shall be  
47 a valid pledge and transfer of the account or of the amount so pledged, shall be binding upon all  
48 joint tenants, shall not operate to sever or terminate the joint ownership of all or any part of the  
49 account, and shall survive the death of any joint tenant. ~~Persons~~

1 Persons establishing an account under this section shall sign a statement showing their  
2 election of the right of survivorship in the account, and containing language set forth in a  
3 conspicuous manner and substantially similar to the following:

4 "SAVINGS BANK (or name of institution) JOINT ACCOUNT  
5 WITH RIGHT OF SURVIVORSHIP  
6 G.S. 54C-165

7 We understand that by establishing a joint account under G.S. 54C-165 that:

- 8 1. The savings bank (or name of institution) may pay the money in the account  
9 to, or on the order of, any person named in the account unless we have  
10 agreed with the savings bank that withdrawals require more than one  
11 signature; and
- 12 2. Upon the death of one joint owner the money remaining in the account will  
13 belong to the surviving joint owners and will not pass by inheritance to the  
14 heirs of the deceased joint owner or be controlled by the deceased joint  
15 owner's will.

16 We DO elect to create the right of survivorship in this account.

17 \_\_\_\_\_  
18 \_\_\_\_\_ ""

19 **SECTION 4.** This act is effective when it becomes law and applies to joint  
20 accounts created before, on, or after that date.