S T A T E O F N E W Y O R K

8270

2009-2010 Regular Sessions

I N A S S E M B L Y

May 11, 2009

Introduced by M. of A. RABBITT -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to notifying joint tenants when certain withdrawals are made from joint accounts

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision (c) of section 675 of the banking law, as added by chapter 777 of the laws of 1983, is amended to read as follows:

(c) THE BANKING ORGANIZATION, FOREIGN BANKING CORPORATION, SAVINGS AND LOAN ASSOCIATION, OR CREDIT UNION TRANSACTING BUSINESS IN THIS STATE SHALL SEND WRITTEN NOTIFICATION TO ALL JOINT TENANTS OF AN ACCOUNT EACH TIME A JOINT TENANT WITHDRAWS OR TRANSFERS AN AMOUNT EQUAL TO OR GREATER THAN FIFTY PERCENT OF THE JOINT ACCOUNT'S TOTAL VALUE.

(D) 1. The banking board shall promulgate and may from time to time amend rules and regulations which require that the joint tenants of an account established on or after the date on which the rule or regulation becomes effective and representing any deposit or shares governed by the foregoing provisions of this section, shall, at the time the account is established be informed of the terms and conditions of the account including the relationship and consequences between the parties in the account and the responsibilities of the institution with which the account is established.

2. This subdivision or any rule or regulation thereunder shall not be deemed or construed as increasing or diminishing the rights or liability of any person, or other entity.

S 2. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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