

**§427. Deposit or account transactions**

**1. Minor's deposits or accounts.** Money may be deposited by or in the name of a minor and is the minor's property, and a financial institution shall pay the same to such minor, to the minor's order or to a joint owner of the account. The receipt of any such payment by the minor is a valid release and discharges the institution. A minor may endorse and deposit to the credit of the minor's account checks and other instruments for the payment of money. Notwithstanding any provision of law to the contrary, in all transactions with respect to a minor's account that does not have a joint owner of majority age, a minor is deemed to be the owner of the account and of legal age and capacity.

[PL 2023, c. 42, §1 (AMD).]

**2. Fiduciary deposits or accounts.**

A. Whenever a deposit is made in trust, the name and address of the person for whom it is made, or the purpose for which the trust is created, shall be disclosed in writing to the institution, and the deposit shall be credited to the depositor as trustee for such person or purpose. [PL 1975, c. 500, §1 (NEW).]

B. Whenever a deposit is made by a person designated on the records of a financial institution as a fiduciary, it shall be conclusively presumed, in all dealings between the institution and the fiduciary or any other persons with respect to such deposit, that such fiduciary has power to invest money in the institution, and to withdraw the same or any part thereof, and to transfer his deposit to any other person. The receipt or acquittance of such fiduciary shall fully exonerate and discharge the institution from all liability to any person having any interest in such deposit and the institution shall not be under any duty to see to the proper application of the trust property. [PL 1979, c. 540, §8 (AMD).]

C. Subject to the provisions of Title 18-C, section 6-222, upon the death or disability of any fiduciary, the value of such deposit or account may be paid, at the option of the institution, and in the absence of notice of the existence and terms of a trust, either to the executor, administrator, conservator or guardian of such fiduciary, or to any substituted fiduciary, or to the person, if any, who is designated on the records of the institution as the beneficiary of such deposit, if of the age of 15 years or upwards, or to the guardian or parent or person standing in loci parentis to such person if under the age of 15 years. Subject to the provisions of Title 18-C, section 6-226, the receipt or acquittance of any such person fully exonerates and discharges the institution from all liability to any person having any interest in such deposit, and the institution is not under any duty to see to the proper application of the trust property. [PL 2017, c. 402, Pt. C, §18 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. C, §18 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

**3. Fiduciary transactions by check.**

A. If a check drawn or endorsed by a fiduciary is received by a drawee financial institution, including a check for payment in cash or for the personal credit of such fiduciary, such institution may assume, without inquiry, that the fiduciary has acted within the scope of his authority. [PL 1975, c. 540, §1 (NEW).]

B. As used in this subsection, "fiduciary" includes a trustee under any trust, express or implied, resulting or constructive, or an executor, administrator, guardian, conservator, receiver, trustee in bankruptcy, assignee for the benefit of creditors, partner, agent, officer of a corporation, public or private, public officer or any other person acting in a fiduciary capacity for any person, trust or estate. "Person" includes 2 or more persons having a common interest. For the purposes of this subsection, such institution may rely upon, though it need not require, a writing certified by the clerk or secretary of a corporation as to such officer. [PL 1975, c. 540, §1 (NEW).]

C. Nothing contained in this subsection shall be deemed to modify or otherwise affect Title 11, section 1-201, subsection 25 or Title 11, section 3-304, nor to relieve such institution from any liability imposed upon it by law to the extent of any payment or amount which such institution may receive for its benefit from any of such checks or funds represented thereby. [PL 1975, c. 540, §1 (NEW).]

[PL 1975, c. 540, §1 (NEW).]

**4. Joint deposits or accounts.**

A. When a deposit has been made or is made in any financial institution authorized to do business in this State in the names of 2 or more persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or the interest or dividends thereon may be paid to any or either of said persons, whether the other or others be living or not, or to the legal representative of the survivor of said persons if proofs of death are presented to the financial institution showing that the decedent was the last surviving party or if there is clear and convincing evidence that no right of survivorship was intended at the time the account was created. Subject to the provisions of Title 18-C, section 6-226, the receipt or acquittance of the persons to whom said payment is so made is a valid and sufficient release and discharge to such financial institution for any payment so made. [PL 2017, c. 402, Pt. C, §19 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

B. All such deposits or accounts, whenever opened or issued, payable to either or the survivor including interest and dividends, in the name of the same persons in any financial institution within this State, in the absence of fraud or undue influence, upon the death of one of such persons, become the property of the parties as provided in Title 18-C, section 6-212. [PL 2017, c. 402, Pt. C, §20 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. C, §19, 20 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

**5. Pledge of joint deposits or accounts.** The pledge of all or part of a deposit or account in joint tenancy signed by that person or those persons who are authorized in writing to make withdrawals from the deposit or account shall, unless the terms of the deposit or account provide specifically to the contrary, be a valid pledge and transfer of that part of the deposit or account pledged, and shall not operate to sever or terminate the joint and survivorship ownership of all or any part of the deposit or account.

[PL 1975, c. 500, §1 (NEW).]

**6. Power of attorney over deposits or accounts.** Any financial institution may continue to recognize the authority of an attorney authorized in writing to manage or to make withdrawals either in whole or in part from the account of a depositor until it receives written notice of the revocation of his authority. For the purposes of this subsection, written notice of the death or adjudication of incompetency of such depositor shall constitute written notice of revocation of the authority of his attorney. No institution shall be liable for damages by reason of any payment made pursuant to this subsection.

[PL 1975, c. 500, §1 (NEW).]

**7. Transfer of deposit or account.** A depositor may transfer, absolutely or conditionally, that depositor's deposit or account to any other person, subject to any provisions affecting such deposit or account pursuant to this chapter by a written assignment in a form approved by the institution, accompanied by delivery of the evidence of the deposit or account. Evidence of the deposit or account means the membership certificate, share certificate, account book, passbook or any other evidence of the deposit or account that has been issued in connection with such deposit or account. Every such transfer of a deposit or account is considered to include the deposit or account and the evidence of the deposit or account issued in connection with the deposit or account. An absolute transfer is not effective against an institution until such written assignment and the accompanying evidence of the deposit or account are delivered to the institution with a request that it complete such transfer upon its records. A

conditional transfer is not effective against an institution unless and until it actually receives notice of the conditional transfer in writing.

This subsection does not apply to the creation, perfection or enforcement of a security interest in a deposit or account other than an assignment of a deposit or account in a consumer transaction as defined in Title 11, section 9-1102, subsection 26.

[PL 2001, c. 211, §11 (AMD).]

#### **8. Payment of decedent's deposit or account.**

A. Except as provided in paragraph B, if any depositor shall die leaving in a financial institution a deposit or account on which the balance due him shall not exceed \$1,000, and no personal representative shall be appointed, the institution may pay the balance of such deposit or account to the surviving spouse, next of kin, funeral director or other preferred creditor or creditors who may appear to be entitled thereto. For any payments so made, the institution shall not be held liable to the decedent's personal representative thereafter appointed unless the payment shall have been made within 6 months after the decedent's death and an action to recover the amount shall have been commenced within one year after the date of payment. [PL 1979, c. 540, §12 (NEW).]

B. Notwithstanding the provisions of paragraph A, upon presentation of an affidavit under Title 18-C, section 3-1201, a financial institution shall pay the balance of any deposit or account left by a deceased depositor to the depositor's successor under the provisions of Title 18-C, sections 3-1201 and 3-1202. Such payments under this paragraph take precedence over payments under paragraph A to the extent of the balance of the deposits or accounts of the deceased depositor at the time the affidavit is presented. [PL 2017, c. 402, Pt. C, §21 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. C, §21 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

#### **9. Lost evidences of deposits or accounts.**

A. If a financial institution receives a notice in writing that an account book or passbook or other evidence of a deposit or account issued by said institution is lost, together with a request that a duplicate evidence of deposit or account be issued, such notice and request being signed by the appropriate person or persons as provided, the institution, at the expiration of a period of 10 days from the receipt of such notice if the missing evidence is not sooner presented, may issue a duplicate evidence of deposit or account to the person or persons signing said notice and request, and the delivery of such duplicate evidence shall relieve the institution from all liability on account of the missing original evidence of deposit or account. Such notice and request shall be signed in the following manner:

(1) If the evidence of deposit or account was issued to a single depositor, then by him, an officer in the event of a corporation, or by a guardian, conservator, trustee, executor or administrator; or

(2) If the evidence of deposit or account was issued to 2 or more depositors, then by all such depositors then surviving, or by the last survivor of such depositors; provided that a guardian or conservator shall sign for any of the foregoing persons respecting whom he has been appointed. [PL 1979, c. 663, §41 (AMD).]

B. If a depositor shall lose a nonnegotiable certificate of deposit or certificate of account, paragraph A shall apply, except that the depositor shall provide an affidavit in writing to the institution, in lieu of the notice provided for in paragraph A, stating that such certificate issued by the institution is lost and could not be found after thorough search. [PL 1987, c. 402, Pt. A, §87 (AMD).]

[PL 1987, c. 402, Pt. A, §87 (AMD).]

**10. Adverse claim to deposit or account.** Except as provided in Title 11, section 4-405, in Title 14, section 4751 and in Title 18-C, sections 6-102 and 6-226, notice to a financial institution authorized

to do business in this State of an adverse claim to a deposit or account standing on its books to the credit of any person is not effectual to cause that institution to recognize the adverse claimant, unless the adverse claimant either procures a restraining order, injunction or other appropriate process against the institution from a court of competent jurisdiction in a civil action to which the person to whose credit the deposit or account stands is made a party or executes to that institution, in a form and with sureties acceptable to the institution, a bond indemnifying the institution from all liability, loss, damage, costs and expenses for and on account of the payment of such adverse claim or the dishonor of checks or other orders of the person to whose credit the deposit or account stands on the books of the institution.

This subsection does not apply to the creation, perfection or enforcement of a security interest in a deposit or account other than an assignment of a deposit or account in a consumer transaction as defined in Title 11, section 9-1102, subsection 26.

[PL 2017, c. 402, Pt. C, §22 (AMD); PL 2019, c. 417, Pt. B, §14 (AFF).]

**11. Payment of orders.** Any financial institution may pay any order drawn by any person who has funds on deposit to meet the same, notwithstanding the death of the drawer in the interval of time between signing such order and its presentation for payment, when said presentation is made within 30 days after the date of such order; and at any subsequent period, provided the institution has not received actual notice of the death of the drawer.

[PL 1975, c. 500, §1 (NEW).]

**12. Superintendent's authority to permit withdrawals.** Except as expressly limited by other provisions of this Title, the superintendent may authorize a financial institution or institutions to permit the withdrawal of funds on deposit by depositors, account holders or members of said institution or institutions, in such manner or by such methods as the superintendent may determine appropriate under the circumstances.

[PL 1995, c. 628, §23 (AMD).]

**13. Notice on opening certain accounts.**

[MRS T. 9-B §427, sub-§13 (RP).]

**13-A. Notice on opening certain accounts.** At the time a multiple-party account, as defined in Title 18-C, section 6-201, subsection 5, is established or at the time a single-party account is converted to a multiple-party account with a financial institution, the document establishing the account or adding another party must include for each party to the account the question, "Do you intend for the sum remaining upon your death to belong to the surviving party or parties? Yes or No." The question required by this subsection must be answered in writing on the form by each party to the account prior to opening the account. The answer provided on the form required by this subsection does not have any effect on any legal presumption or inference available in any civil or criminal matter.

[PL 2021, c. 5, §2 (AMD).]

**14. Applicability.** This section applies to financial institutions authorized to do business in this State and credit unions authorized to do business in this State.

[PL 2003, c. 322, §15 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1975, c. 571, §1 (AMD). PL 1975, c. 733, §1 (AMD). PL 1975, c. 770, §51 (AMD). PL 1979, c. 540, §§8-13-A (AMD). PL 1979, c. 663, §41 (AMD). PL 1987, c. 402, §A87 (AMD). PL 1995, c. 628, §23 (AMD). PL 1999, c. 218, §20 (AMD). PL 2001, c. 211, §§11,12 (AMD). PL 2003, c. 322, §15 (AMD). PL 2007, c. 88, §1 (AMD). PL 2017, c. 390, §1 (AMD). PL 2017, c. 402, Pt. C, §§18-23 (AMD). PL 2017, c. 402, Pt. F, §1 (AFF). PL 2019, c. 1, §§1, 2 (AMD). PL 2019, c. 1, §5 (AFF). PL 2019, c. 417, Pt. B, §14 (AFF). PL 2021, c. 5, §2 (AMD). PL 2023, c. 42, §1 (AMD).

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