

Fifty-seventh  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1375

Introduced by

Representative Boucher

1 A BILL for an Act to provide for disclosures of funds transfers by wire or automated  
2 clearinghouse to a financial institution and liability for funds transfers that are not authorized by  
3 the financial institution.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. Funds transfers - Disclosure to financial institution required.** A  
6 person may not direct, cause, arrange, or permit a transfer of funds by wire or automated  
7 clearinghouse into a financial institution account that is not owned by the intended beneficiary  
8 of the funds transfer unless the person has first disclosed to the financial institution the fact that  
9 the account is not owned by the intended beneficiary of the funds transfer and has obtained the  
10 express, written consent of the financial institution for each transfer. A person who directs,  
11 causes, arranges, or permits a transfer of funds by wire or automated clearinghouse into a  
12 financial institution account that is not owned by the intended beneficiary of the funds transfer  
13 may not withdraw the funds without the written consent of the accountholder and may not  
14 recover from the financial institution any damages, costs, or expenditures, including reasonable  
15 attorney fees, incurred in connection with the transfer or the use or withdrawal of the  
16 transferred funds by the owner of the account.

17 **SECTION 2. Unauthorized funds transfer - Liability.** A person who directs, causes,  
18 arranges, or permits a transfer of funds by wire or automated clearinghouse into a financial  
19 institution account that is not owned by the beneficiary of the funds transfer is liable to the  
20 financial institution for all damages, costs, or expenditures, including reasonable attorney fees,  
21 which the financial institution suffers or incurs in connection with the unauthorized funds  
22 transfer transaction or any use or withdrawal of the funds by the owner of the account.