

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.