



WEST VIRGINIA SECRETARY OF STATE

KRIS WARNER

ADMINISTRATIVE LAW DIVISION

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Office of West Virginia
Secretary Of State

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-
MAKING REVIEW COMMITTEE**

AGENCY: Financial Institutions Division of TITLE-SERIES: 106-17
RULE TYPE: Legislative Amendment to Existing Rule: Yes Repeal of existing rule: No
RULE NAME: 106-17 Notice and Treatment of Joint Accounts

PRIMARY CONTACT

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CITE STATUTORY AUTHORITY: W.Va. Code 31A-4-33;31A-2-4(c)

EXPLANATION OF THE STATUTORY AUTHORITY FOR THE LEGISLATIVE RULE, INCLUDING A DETAILED SUMMARY OF THE EFFECT OF EACH PROVISION OF THE LEGISLATIVE RULE WITH CITATION TO THE SPECIFIC STATUTORY PROVISION WHICH EMPOWERS THE AGENCY TO ENACT SUCH RULE PROVISION:

31A-4-33 creates the statutory framework for the treatment of joint account and provides rulemaking authority. 31A-2-4(c)(11) contains the commissioner's general rulemaking authority.

IS THIS FILING SOLELY FOR THE SUNSET PROVISION REQUIREMENTS IN W. VA. CODE §29A-3-19(e)? No

IF YES, DO YOU CERTIFY THAT THE ONLY CHANGES TO THE RULE ARE THE FILING DATE, EFFECTIVE DATE AND AN EXTENSION OF THE SUNSET DATE? No

DATE eFiled FOR NOTICE OF HEARING OR PUBLIC COMMENT PERIOD: 6/19/2025

DATE OF PUBLIC HEARING(S) OR PUBLIC COMMENT PERIOD ENDED: 7/21/2025

COMMENTS RECEIVED: No

(IF YES, PLEASE UPLOAD IN THE COMMENTS RECEIVED FIELD COMMENTS RECEIVED AND RESPONSES TO COMMENTS)

PUBLIC HEARING: No

(IF YES, PLEASE UPLOAD IN THE PUBLIC HEARING FIELD PERSONS WHO APPEARED AT THE HEARING(S) AND TRANSCRIPTS)

RELEVANT FEDERAL STATUTES OR REGULATIONS: No

WHAT OTHER NOTICE, INCLUDING ADVERTISING, DID YOU GIVE OF THE HEARING?

DFI placed the notice of comment period on its website. The agency also provided copies of the rule and comment period notice to the bankers' associations.

SUMMARY OF THE CONTENT OF THE LEGISLATIVE RULE, AND A DETAILED DESCRIPTION OF THE RULE'S PURPOSE AND ALL PROPOSED CHANGES TO THE RULE:

The rule provides guidelines and requirements for the treatment of joint accounts. It prescribes specific language for use by banking institutions as well as requirements for commissioner approval of the forms used. The amendments seek to modernize and simplify the rule by recognizing long settled law and standardized forms used by the industry for many years. It also removes the requirements that the commissioner approve all forms used.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE:

The rule provides guidelines and requirements for the treatment of joint bank accounts.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED LEGISLATIVE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

No impact.

B. ECONOMIC IMPACT ON SPECIAL REVENUE ACCOUNTS:

No impact.

C. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

No impact.

D. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2025 Increase/Decrease (use "-")	2026 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	0	0	0
Personal Services	0	0	0
Current Expenses	0	0	0
Repairs and Alterations	0	0	0
Assets	0	0	0
Other	0	0	0
2. Estimated Total Revenues	0	0	0

E. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

The amendments to this rule will have no impact on the revenues and expenses of state government.

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.

Yes

Dawn E Holstein -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.

TITLE 106
LEGISLATIVE RULE
COMMISSIONER DIVISION OF BANKING FINANCIAL INSTITUTIONS

SERIES 17
NOTICE AND TREATMENT OF JOINT ACCOUNTS

§106-17-1. General.

1.1. Scope. -- This rule establishes procedures for the notice to holders of joint deposit accounts opened on or after July 1, 1994 regarding their rights and liabilities as to those accounts. In addition, this rule pertains to the treatment of joint deposit accounts in the event of receipt of written notice by a bank from one of their joint deposit account holders informing the bank not to pay, pledge, or encumber the account upon the demand or request of another named party to the joint account.

1.2. Authority. -- W. Va. Code §§31A-4-33 and 31A-2-4(c)(11).

1.3. Filing Date. -- ~~April 5, 1995.~~

1.4. Effective Date. -- ~~May 5, 1995.~~

1.5. Sunset Provision. -- This rule shall terminate and have no further force or effect upon August 1, 2031.

§106-17-2. Definitions.

2.1. "Joint Account" means a federally insured deposit account at a bank which is held in the name of two or more individual persons, wherein any one of the named account holders may, without the signature or approval of any other persons to the account, obtain account funds, close the account, or otherwise withdraw the whole amount in the account. Such accounts include, but are not limited to, joint checking accounts, joint savings accounts, joint passbook savings accounts, joint Christmas/Vacation club accounts, and joint certificate of deposit accounts.

2.2. "Bank" means any state-chartered or federally-chartered banking institution authorized to conduct the business of banking in West Virginia, including any savings bank, or savings and loan association.

§106-17-3. Notice.

3.1. Opening New Joint Accounts -- Upon the request of a customer to open a new joint account, a bank shall provide notice to the joint account holders that the joint account may be paid out to, pledged by, or otherwise encumbered by each and any of the individuals to the joint account -- unless prior written notice is given by one of the account holders not to permit it. The wording of the notice provided by the banks to their customers must be approved by the Commissioner of Banking and printed in a clearly legible type size. ~~A bank may comply with this subsection by:~~

3.2. A bank may comply with this subsection by:

~~3.1.3.2.1.~~ Obtaining the signature of at least one joint account holder on a separate document containing the required disclosures ~~and approved for such use by the Commissioner of Banking~~, and then maintaining this signed separate document either together with the joint account's signature card, or in another

manner whereby the document is easily retrievable as to each joint account;

~~3.1.23.2.2.~~ Incorporating the required and approved disclosure notice within the signature card or the account opening agreement with the bank; or

~~3.1.33.2.3.~~ Establishing a procedure for ensuring that a person opening a covered joint account is given the required notice ~~in a form approved by the Commissioner of Banking~~, and that fact is recorded by a checkbox marked upon the signature card or the account opening agreement accompanying that joint account.

~~3.2. Notice Forms — The form of the notice, including the wording contained in the disclosures, shall be approved by the Commissioner of Banking together with any restrictions or specific use of a particular form that the Commissioner may establish. In addition to any other notice form which may be, from time to time, approved by the Commissioner of Banking, banks may use the forms set forth in Appendix A and B of this rule as prescribed in this subsection:~~

~~3.2.1. The form in Appendix A may be used when the bank is following the notice procedure set forth in subdivision 3.1.1. of this rule; and~~

~~3.2.2. The form in Appendix B may be used when the bank is following the notice procedure set forth in subdivisions 3.1.2. or 3.1.3 of this rule.~~

~~3.3. Use of Previously Approved Forms — Unless a change in law, legislative rule, or determination by a court necessitates immediately altering a notice form previously approved for use by the Commissioner of Banking, banks shall have a reasonable amount of time, up to six months, to replace their existing approved forms. And during that time the banks may continue to use their previously approved forms.~~

§106-17-4. Effect of Written Notice.

4.1. Closing the Account -- Upon receipt of written notice from a customer holding a joint account directing the bank not to allow one or more of the other named parties to that joint account to withdraw funds, close the account, pledge or otherwise encumber the account solely on that party's own signature, then the bank may, unless prevented by federal law, treat that notice as a request to end the joint account relationship and the bank may choose to close the account either by issuing a check in the name of the customer requesting the change, or by transferring the account monies to another account which is in the name of the customer requesting the change.

If there is any loss of accrued interest or other penalty for early withdrawal associated with closing the joint account, the bank may impose the loss or penalty.

4.2. Payment of Interest -- If the account is closed and the monies in the account placed in an escrow account by the bank, then interest shall accrue as is normally paid by the bank on its escrow accounts.

4.3. Noninterference with Bank Pledging Policy -- Nothing within this rule prohibits a bank from adopting as a matter of bank policy, a requirement that all joint account holders must agree and/or sign before any pledge of a joint account can be made.

§106-17-5. Non-Liability of Bank.

5.1. Upon Closing the Account -- To the extent the bank closes the account acting upon written notice of a joint account holder made pursuant to W. Va. Code §31A-4-33 the bank has no liability to any affected joint

account holder in consequence for taking such action.

5.2. Upon Following Agreement of Parties -- To the extent the bank follows or complies with an agreement among and between all the parties to a joint account as to the apportionment or disposition of funds held in the joint account, the bank has no liability to any affected joint account holder in consequence for taking such action.

5.3. Upon Compliance with a Court Order -- To the extent the bank follows or complies in good faith with an order from a court as to the apportionment or disposition of funds held in a joint account affected by notice pursuant to W. Va. Code §31A-4-33, or makes any payment or attachment to a creditor or other legal claimant pursuant to legal process, the bank has no liability to any affected joint account holder in consequence for taking such action.

5.4. Upon Taking Commercially Reasonable Action -- To the extent the bank, in good faith, takes all commercially reasonable action to promptly prevent a joint account holder from withdrawing, closing, pledging or otherwise encumbering such account as directed by another joint account holder's written notice received by the bank, the bank has no liability to any affected joint account holder for being unable to prevent the withdrawal, closing, pledge, or encumbrance.

§106-17-6. Severability.

If any word, phrase, or provision of this rule is held to be invalid, the remainder of the rule shall, to the fullest extent possible, not be affected by that holding.

Acct. No. _____

~~NOTICE TO JOINT ACCOUNT HOLDERS~~

~~This joint account is payable in both your name "or" in the name of the other person(s) listed on the account (Example "Mr. Smith or Mrs. Smith").~~

~~Please be advised and forewarned that:~~

- ~~o All the money in this joint account may be withdrawn by anyone named on this account; or may be pledged as security for a loan or debt by anyone named on the account. — UNLESS, prior written notice is given to the bank not to permit it.~~
- ~~o Despite any notification to the bank — The bank may pay the entire account balance to a creditor or other legal claimant pursuant to legal process.~~

~~I have read and understand the above rules about this joint account.~~

~~Signature of Joint Account Holder 1: _____~~

~~Signature of Joint Account Holder 2: _____~~

~~Signature of Joint Account Holder 3: _____~~

~~[Optional addition — "At least one account holder must sign."]~~

NOTICE TO JOINT ACCOUNT HOLDERS

~~This joint account is payable in both your name "or" in the name of the other person(s) listed on the account (Example "Mr. Smith or Mrs. Smith").~~

Please be advised and forewarned that:

~~◇ All the money in this joint account may be withdrawn by anyone named on this account; or may be pledged as security for a loan or debt by anyone named on the account. — UNLESS, prior *written notice* is given to the bank not to permit it.~~

~~◇ Despite any notification to the bank — The bank may pay the entire account balance to a creditor or other legal claimant pursuant to legal process.~~

~~[This form is to be used in incorporating the language in the signature card, or where a checkbox indicating the above disclosure has been made is part of the signature card.]~~