



118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1619

H.P. 1155

House of Representatives, March 21, 1997

An Act to Require Banks to Have Written or Oral Authority before Funds Are Electronically Removed from Resident Accounts.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative GERRY of Auburn. Cosponsored by Representatives: BERRY of Belmont, CARLETON of Wells, FARNSWORTH of Portland, JONES of Greenville, PLOWMAN of Hampden, WINGLASS of Auburn.

Be it enacted by the People of the State of Maine as follows: 2 Sec. 1. 11 MRSA §4-206-A is enacted to read: 4 §4-206-A. Transfer prohibited without written authorization б Notwithstanding any other provision of this Title, a bank may electronically transfer funds from the account of a state 8 resident only if the bank has written or oral authorization of the resident. A resident may authorize a specific amount or an 10 unlimited amount to be transferred. The authorization may be for 12 a single occasion or multiple occasions or given on an on-going basis. 14 Authorized electronic transfers may be stopped by the resident by giving either written or oral notice to the bank. 16 Any electronic transfers made by the bank after authorization has 18 been withdrawn by the resident or any electronic transfers in excess of the authorized amount are unauthorized transfers. 20 The provisions of this section may be waived by the resident if the waiver is in writing. 22 24 **SUMMARY** 26 This bill prohibits a bank from electronically transferring

funds from the account of a state resident without first 28 obtaining written or oral authorization.