

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1987.

Approved May 14, 1987.

CHAPTER 405

(Senate Bill 874)

AN ACT concerning

Financial Institutions - Clearance of Items

FOR the purpose of declaring it to be the public policy of the State to ensure that customers and or members of certain financial institutions are able to draw against items deposited for collection in their accounts within a reasonable period of time; defining certain terms; requiring the Bank Commissioner to gather relevant information and to adopt certain regulations regarding the time period within which banking institutions and credit unions shall be required to permit a customer or member to draw, as of right, on an item received for deposit in the customer's or member's account; requiring the Director of the Division of Savings and Loan Associations to gather relevant information and to adopt certain regulations regarding the period within which savings and loan associations shall be required to permit a customer to draw, as of right, on an item received for deposit to the customer's account; ~~requiring that the regulations adopted require the financial institution to notify the customer or member of a customer's or member's rights under the regulation and to keep posted in each branch a notice of the customer's or member's rights under the regulations~~ certain financial institutions to give a certain notice concerning the generally applicable time limitations and the financial institution's policy on the right to draw on certain deposited items, and to post the notice in each branch of the financial institution; authorizing the Bank Commissioner or the Division Director, ~~as appropriate,~~ to adopt certain additional regulations if ~~they find that uniform application of the regulations result in unseound or unsafe banking practices;~~ providing that a period of time for drawing against an item longer than that permitted under the regulations shall generally be considered to be an unreasonable period of time; permitting a financial institution to establish in a private agreement with a customer or member a period of time for drawing against an item longer than that provided in the regulations adopted under this Act, under certain circumstances; providing that if certain federal legislation is enacted and