



Maine Credit Union League

Testimony by Ellen Parent

In Support of LD 224

*An Act To Modify Requirements for Multiple-party
Accounts, Limited Purpose Financial
Institutions and Mergers*

Committee on Health Coverage, Insurance and Financial Services

February 9, 2021

Good Afternoon Senator Sanborn, Representative Tepler, and distinguished members of the Committee on Health Coverage, Insurance and Financial Services, my name is Ellen Parent. I am the Regulatory and Legislative Advocacy Coordinator at the Maine Credit Union League and I am submitting on behalf of the League testimony in support of LD 224, An Act To Modify Requirements for Multiple-party Accounts, Limited Purpose Financial Institutions and Mergers. The Maine Credit Union League is the trade association for Maine's 53 credit unions and over 725,000 members statewide.

LD 224 serves an important purpose in clarifying the interplay between the Probate Code and Title 9-B and we encourage the adoption of this legislation. We would also like to thank the Bureau of Financial Institutions for submitting this bill.

The Banking Code applies to all financial institutions operating within the state of Maine. Title 9-B, Section 427, Subsection 13-A indicates that documents for the establishment of multiple-party accounts must include "a clear and conspicuous notice to the depositor that on the depositor's death, the balance in the account will belong to the surviving party." This subsection is inconsistent with the Probate Code, which indicates that a multiple-party account without the right of survivorship may legally be

created. Unfortunately, financial institutions interpreted this section to mean that they were unable to offer these accounts. This was not the intention of the legislation when drafted and this bill would preserve the intent of the section while eliminating confusion and allow financial institutions to better serve the population as a whole.

Thank you for considering our industry's views and allowing the League to provide testimony to the Committee today.