

CHAPTER 48

BANKS, TRUST COMPANIES

48.512 Procedures for opening checking accounts.

48.513 Financial intermediary fees.
48.92 Definitions.

48.512 PROCEDURES FOR OPENING CHECKING ACCOUNTS.

[For text of subs 1 and 2, see M.S.1990]

Subd. 3. Confirm no involuntary closing. Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). Inquiries made to verify this information through persons in the business of providing such information must include an inquiry based on the applicant's identification number provided under subdivision 2, clause (g). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without consent because of issuance by the applicant of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused pursuant to this subdivision, the reasons for the refusal shall be given to the applicant in writing and the applicant shall be allowed to provide additional information.

Subd. 4. Identification is required. A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on that card through the records of the department of public safety. The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Subd. 5. No liability. The requirements of this section do not impose any liability on financial intermediaries offering transaction accounts or, except as provided in subdivisions 3 and 4, limit a financial intermediary's discretion as to whether to grant or deny an application subject to this section. This subdivision does not exempt a financial intermediary from civil penalties imposed under section 45.027.

[For text of subd 6, see M.S.1990]

Subd. 7. Transaction account service charges and charges relating to dishonored checks. (a) The establishment of transaction account service charges and the amounts of the charges not otherwise limited or prescribed by law or rule is a business decision to be made by each financial intermediary according to sound business judgment and safe, sound financial institution operational standards. In establishing transaction account service charges, the financial intermediary may consider, but is not limited to considering:

- (1) costs incurred by the institution, plus a profit margin, in providing the service;

- (2) the deterrence of misuse by customers of financial institution services;
 - (3) the establishment of the competitive position of the financial institution in accordance with the institution's marketing strategy; and
 - (4) maintenance of the safety and soundness of the institution.
- (b) Transaction account service charges must be reasonable in relation to these considerations and should be arrived at by each financial intermediary on a competitive basis and not on the basis of any agreement, arrangement, undertaking, or discussion with other financial intermediaries or their officers.
- (c) A financial intermediary may not impose a service charge in excess of \$4 for a dishonored check on any person other than the issuer of the check.

Subd. 8. Check labeling. A person providing printed checks for a transaction account shall print the month and year that the original order was received or the month and year that appears on the facsimile of the check from which the new checks are produced, unless the applicant has an existing account in good standing or a previous account in good standing within the past five years that was voluntarily closed. This subdivision no longer applies after the account has been open and in good standing for one year.

Subd. 9. Powers affecting checking accounts; other financial information. The commissioner of commerce may exercise the powers authorized under section 45.027 if the commissioner has reason to believe that a financial intermediary or drawer has failed to:

- (1) comply with the verification requirements of subdivision 2, 3, or 4; or
- (2) release information as required under section 609.535, subdivision 7.

History: 1991 c 256 s 1-6

48.513 FINANCIAL INTERMEDIARY FEES.

A financial intermediary may charge a fee for the assembly, production, and copying of records requested under chapter 13A, not to exceed the schedule established from time to time by the Federal Reserve System under Regulation S, Code of Federal Regulations, title 12, part 219, except that a fee may not be imposed if the records are requested by a law enforcement agency or prosecuting authority. This section does not apply to requests made under section 609.535. For purposes of this section, "financial intermediary" has the meaning given in section 48.512, subdivision 1.

History: 1991 c 256 s 7

48.92 DEFINITIONS.

[For text of subs 1 to 6, see M.S.1990]

Subd. 7. Reciprocating state. "Reciprocating state" is:

- (1) a state that authorizes the acquisition, directly or indirectly, or control of, banks in that state by a bank or bank holding company located in this state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner; and
- (2) limited to the states of Iowa, North Dakota, South Dakota, Wisconsin, Colorado, Idaho, Illinois, Indiana, Kansas, Michigan, Missouri, Montana, Nebraska, Ohio, Washington, and Wyoming.

[For text of subs 8 to 10, see M.S.1990]

History: 1991 c 296 s 1

NOTE: Subdivision 7, as amended by Laws 1991, chapter 296, section 1, is effective April 1, 1992. See Laws 1991, chapter 296, section 2.