

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE C. SAVINGS BANKS

CHAPTER 95. DEPOSIT ACCOUNTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 95.001. DEPOSITS. (a) A savings bank may receive a deposit of money.

(b) Money deposited in a savings bank may be withdrawn or paid on a check of the deposit account holder.

(c) Unless the deposit contract expressly provides otherwise, a deposit must be payable on demand without notice.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.002. LIMITATIONS ON ACCOUNTS. The board may limit the number and value of deposit accounts the savings bank may accept.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.003. INVESTMENT IN ACCOUNTS. (a) Any person may be the holder of a deposit account.

(b) An investment in a deposit account may be made only in cash.

(c) A person may invest in a deposit account in the person's own right or in a trust or other fiduciary capacity.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.004. DEPOSIT CONTRACT. (a) Each holder of a deposit account must execute a deposit contract. The contract must specify:

(1) any special terms applicable to the account; and

(2) the conditions on which withdrawals may be made.

(b) The savings bank shall hold the deposit contract in the records pertaining to the account.

(c) A deposit contract pertaining to a deposit account of a public or governmental entity must provide that the holder of the

account may not become a member of the savings bank.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.005. ACCOUNT OWNERSHIP. Unless a savings bank acknowledges in writing a pledge of a deposit account, the savings bank may treat the holder of record of the account as the owner of the account for all purposes and is unaffected by notice to the contrary.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.006. TRANSFER OF ACCOUNT. (a) A deposit account may be transferred on the books of the savings bank only on presentation to the savings bank of:

(1) evidence of transfer satisfactory to the savings bank; and

(2) an application for transfer by the transferee.

(b) A transferee accepts an account subject to the terms of the:

(1) deposit contract; and

(2) savings bank's charter and bylaws.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.007. INTEREST OR DIVIDENDS PAID ON ACCOUNTS. (a) A savings bank may contract to pay interest on deposit accounts or may pay earnings on deposit accounts in the form of dividends declared by the savings bank's board.

(b) A savings bank shall compute and pay interest and dividends according to rules adopted by the finance commission.

(c) A savings bank shall credit interest or a dividend to a deposit account on the savings bank's books unless the account holder requests and the savings bank agrees that the savings bank will pay interest or dividends on the account in cash.

(d) A savings bank may pay a cash dividend by check or bank draft.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 867, Sec. 60, eff. Sept. 1, 2001.

Sec. 95.008. REDEMPTION OF DEPOSIT ACCOUNT. (a) If no contractual prohibition exists, a savings bank may redeem in the manner the board determines all or part of its deposit accounts if the savings bank:

(1) not later than the 31st day before the redemption date, gives notice of the redemption by certified mail to each affected account holder at the holder's last address as recorded on the books of the savings bank; and

(2) not later than the redemption date, sets aside the amount necessary for the redemption and keeps the amount available for redemption.

(b) Redemption of deposit accounts must be on a nondiscriminatory basis.

(c) The redemption price of a deposit account is the withdrawal value of the account.

(d) All rights, including the accrual of earnings, that relate to a deposit account called for redemption, other than the right of the account holder of record to receive the redemption price, terminate as of the redemption date.

(e) A savings bank may not redeem any of its deposit accounts if the savings bank is subject to a supervisory control or conservatorship action under Chapter 96, unless the commissioner directs the redemption.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.009. LIEN ON DEPOSIT ACCOUNT. (a) Without further agreement or pledge, a savings bank or a federal savings bank doing business in this state has a lien on all deposit accounts owned by an account holder to whom or on whose behalf the savings bank has advanced money by loan or otherwise.

(b) On default in the payment or satisfaction of the account holder's obligation, the savings bank, without notice to or consent of the account holder, may cancel on its books all or part of the account holder's deposit account and apply that amount to payment of the obligation.

(c) The savings bank by written instrument may waive its lien in whole or in part on a deposit account.

(d) A savings bank may take the pledge of a deposit account of the savings bank that is owned by an account holder other than the borrower as additional security for a loan secured by:

- (1) a deposit account;
- (2) real property; or
- (3) both a deposit account and real property.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.010. ACCOUNT AS LEGAL INVESTMENT. (a) Each of the following persons may invest money held by the person in a deposit account of a savings bank doing business in this state:

- (1) any fiduciary, including an administrator, executor, guardian, or trustee;
- (2) a political subdivision or instrumentality of this state;
- (3) a business or nonprofit corporation;
- (4) a charitable or educational corporation or association; and
- (5) a financial institution, including a bank, savings and loan association, or credit union.

(b) An investment by an insurance company in a deposit account is eligible for tax reducing purposes under Chapters 221 and 222, Insurance Code.

(c) An investment by a school district in a deposit account insured by the Federal Deposit Insurance Corporation meets the requirements of Sections 45.102 and 45.208, Education Code.  
Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 11.110, eff. September 1, 2005.

Sec. 95.011. APPLICABILITY OF ESTATES CODE. The applicable provisions of Subchapter B, Chapter 111, and Chapters 112 and 113, Estates Code, govern deposit accounts held in a savings bank.  
Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec.

SUBCHAPTER B. PROVISIONS APPLICABLE TO SPECIFIC TYPES OF ACCOUNTS

Sec. 95.101. ACCOUNT HELD BY MINOR. (a) A savings bank or a federal savings bank may accept a deposit account from a minor as the sole and absolute owner of the account.

(b) On the minor's order, the savings bank may:

- (1) pay withdrawals;
- (2) accept pledges to the savings bank; and
- (3) act in any other manner with respect to the account.

(c) Subject to Subsection (e), a payment or delivery of rights to a minor, or an acquittance signed by a minor who holds a deposit account, is a discharge of the savings bank for that payment or delivery.

(d) If the savings bank requires a minor to furnish an acquittance or pledge or take other action with respect to the minor's deposit account, that action is binding on the minor as if the minor had the capacity of an adult.

(e) If a parent or guardian of a minor informs the savings bank in writing that the minor is not to have the authority to control the minor's deposit account, the minor may not control the account during the minority without the joinder of the parent or guardian.

(f) If a minor dies, the acquittance of a parent or guardian of the minor discharges the savings bank for amounts that in the aggregate do not exceed \$1,000.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.102. PLEDGE OF JOINT ACCOUNT. (a) Unless the terms of the account provide otherwise, a person on whose signature money may be withdrawn from a deposit account in the names of two or more persons may, by a signed pledge, pledge and transfer to the savings bank or federal savings bank all or part of the account.

(b) A pledge made under Subsection (a) does not sever or terminate the joint and survivorship ownership of the account.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.103. ACCOUNT HELD BY FIDUCIARY. (a) A savings bank or federal savings bank doing business in this state may accept a deposit account in the name of a fiduciary, including an administrator, executor, custodian, guardian, or trustee, for a named beneficiary.

(b) A fiduciary may:

(1) vote as a member as if the membership were held absolutely; and

(2) open, add to, or withdraw money from the account.

(c) Except as otherwise provided by law, a payment to a fiduciary or an acquittance signed by the fiduciary to whom a payment is made is a discharge of the savings bank for the payment.

(d) After a person holding a deposit account in a fiduciary capacity dies, the savings bank may pay or deliver to the beneficiary the withdrawal value of the account, plus earnings on the account, or other rights relating to the account, in whole or in part, if the savings bank has no written notice or order of the probate court of:

(1) the revocation or termination of the fiduciary relationship; or

(2) any other disposition of the beneficial estate.

(e) A savings bank has no further liability for a payment made or right delivered under Subsection (d).

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.104. TRUST ACCOUNT: UNDISCLOSED TRUST INSTRUMENT.

(a) If a savings bank opens a deposit account for a person claiming to be the trustee for another and the savings bank has no other notice of the existence or terms of a trust other than a written claim against the account:

(1) the person claiming to be the trustee may, on the person's signature, withdraw money from the account; and

(2) if that person dies, the savings bank may pay the withdrawal value of all or part of the account, plus earnings on the account, to the person for whom the account was opened.

(b) A savings bank has no further liability for a payment made under Subsection (a).

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 95.105. POWER OF ATTORNEY ACCOUNT. (a) A savings bank doing business in this state may continue to recognize the authority of an attorney-in-fact authorized in writing to manage or withdraw money from a deposit account of a member until the savings bank receives written or actual notice of the revocation of that authority.

(b) For purposes of this section, written notice of the death or adjudication of incompetency of a member is considered to be written notice of revocation of the authority of the member's attorney-in-fact.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.