

BUREAU OF BANKING

Department of Professional and Financial Regulation

State of Maine

November 2, 1997

BULLETIN #67 INACTIVE ACCOUNT SERVICE CHARGES

To the Chief Executive Officer Addressed:

On June 12, 1997, PL 508, AN ACT to Establish the Uniform Unclaimed Property Act was signed into law. This law sets forth the guidelines for escheating abandoned or unclaimed property to the state. It also permits holders of unclaimed property to deduct a dormancy charge from property presumed abandoned if there is a valid and enforceable written contract between the holder and the owner of the property under which the holder may impose the charge.

On or about August 5, 1997, the Bureau issued a Notice to Interested Parties proposing to repeal Banking Regulation #12, which established the maximum service charge that could be levied against inactive accounts held by Maine financial institutions. No written comments were received, and this rule was repealed effective November 2, 1997.

This Bulletin serves as a reminder to the regulated community that, while state law or rule no longer sets a maximum service charge that can be levied against inactive or dormant accounts prior to escheating to the state, the following guidelines apply to such charges:

1. At least 30 days prior to implementation of new or increased deposit account service charges, any informational brochures describing the financial institution or credit union's deposit account service charges must be modified to include the new or increased charges. (Bureau of Banking Regulation #18)
2. A holder may deduct from property presumed abandoned a charge imposed by reason of the owner's failure to claim the property within a specified time
 - o only if there is a valid and enforceable written contract between the holder and the owner under which the holder may impose the charge,
 - o such fee is not regularly reversed or otherwise canceled, and
 - o the amount of the deduction is limited to an amount that is not unconscionable. (Title 33 MRSA, Chapter 41, §1956)

Under agreement with the State Treasurer, the Bureau currently examines state chartered financial institutions and credit unions for compliance with Maine's Uniform Unclaimed Property Act. It is anticipated that such compliance review will be modified to include a review of both deposit account contract language and amount/frequency of dormancy charges on unclaimed property.

/s/ H. Donald DeMatteis
Superintendent

Note: This bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties or privileges nor is it intended to provide legal advice. Readers are encouraged to consult applicable statutes and regulations and to contact the Bureau of Banking if additional information is needed.