

2020 Regular Session

HOUSE BILL NO. 722

BY REPRESENTATIVE GREGORY MILLER

FINANCIAL INSTITUTIONS: Provides for the enforcement of electronic signatures by financial institutions

1 AN ACT

2 To amend and reenact R.S. 13:3733.1(A)(introductory paragraph) and to enact R.S.  
3 13:3733.3, relative to the use of electronic signatures by financial institutions; to  
4 provide for the enforcement of electronic signatures; to provide for evidence; and to  
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 13:3733.1(A)(introductory paragraph) is hereby amended and  
8 reenacted and R.S. 13:3733.3 is hereby enacted to read as follows:

9 §3733.1. Financial institution records; reproductions; recordkeeping; admissibility  
10 into evidence; definitions

11 A. As used in this Section ~~and in~~ R.S. 13:3733.2, and 3733.3, the following  
12 terms shall have the following meanings:

13 \* \* \*

14 §3733.3. Financial institution records; enforcement of electronic signatures

15 A. Electronic signatures used in transactions by and with financial  
16 institutions are enforceable to the full extent of the law.

17 B. If a financial institution seeks to enforce the electronic signature and the  
18 purported signer disputes that the electronic signature is valid or enforceable, the  
19 financial institution may submit evidence to prove that the electronic signature is that  
20 of the purported signer and is valid and enforceable. Such evidence may include but

1        is not limited to evidence that the purported signer received a direct or indirect  
 2        benefit or value from the transaction, such as the deposit of funds into the purported  
 3        signer's preexisting account with the financial institution; the purported signer's  
 4        receipt of loan proceeds; or the payment of a debt owed by the purported signer.

5        Section 2. The legislature hereby finds that financial institutions may benefit from  
 6        the use of electronic signatures and encourages the use of electronic signatures by financial  
 7        institutions to facilitate commerce.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 722 Reengrossed

2020 Regular Session

Gregory Miller

**Abstract:** Provides for the enforcement of electronic signatures by financial institutions.

Present law (R.S. 9:2601, et seq., Louisiana Uniform Electronic Transactions Act) provides for the effect, use, and enforceability of electronic records and electronic signatures involved in a transaction between two or more persons relating to the conduct of business, commercial, or governmental affairs with certain exceptions. Present law (R.S. 9:2610) further provides for the effect of change or error involving an electronic signature or record.

Proposed law explicitly provides that electronic signatures used in transactions by and with financial institutions are enforceable to the full extent of the law.

Proposed law provides that a financial institution may submit evidence to provide that an electronic signature is that of the purported signer and provides examples of such evidence.

Present law provides for definitions. Proposed law applies present law definitions to proposed law.

(Amends R.S. 13:3733.1(A)(intro. para.); Adds R.S. 13:3733.3)

#### Summary of Amendments Adopted by House

##### The House Floor Amendments to the engrossed bill:

1. Remove provisions that place the burden of proving the electronic signature is invalid or unenforceable on the purported signer, in the event of a dispute.
2. Remove the specification that evidence, submitted to prove that the electronic signature is that of the purported signer and is valid and enforceable, be corroborating evidence.
3. Remove provisions which allow for the recovery of attorney fees and costs associated with a litigation or arbitration.
4. Make technical changes.