

2022 Regular Session

SENATE BILL NO. 362

BY SENATOR FIELDS

BANKS/BANKING. Prohibit banks from holding deposits for an excessive period. (8/1/22)

1 AN ACT

2 To enact R.S. 6:424, relative to financial institutions; to provide relative to availability of
3 funds; to provide relative to deposited funds; to provide relative to check deposits;
4 to provide for definitions; to provide for damages to customers; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 6:424 is hereby enacted to read as follows:

8 **§424. Funds availability**

9 **A. For the purpose of this Section, "financial institution" means any**
10 **person organized to engage in the business of banking pursuant to the laws of**
11 **the United States or any person organized to engage in the business of banking**
12 **pursuant to this Title, which include but is not limited to state banks, national**
13 **banks, mutual state banks, and credit unions.**

14 **B. Notwithstanding any other provisions of law, funds deposited in a**
15 **customer's account at a financial institution by check shall be available for cash**
16 **withdrawal on the day the check was deposited or immediately after the**
17 **financial institution determines the funds are available.**

1 **C. Failure of a Financial institution to comply with the provisions of this**
2 **Section shall constitute a violation of this Chapter and subject the financial**
3 **institution to any penalties provided in this Chapter.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Xavier I. Alexander.

	DIGEST	
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Present law provides for the regulation of financial institutions by the office of financial institutions.

Proposed law defines "financial institution".

Proposed law provides that a financial institution shall make funds available on the day of the deposit or immediately upon verification by the financial institution that the funds are available.

Proposed law provides that failure of a financial institution to comply with proposed law shall be considered a violation and subject the financial institution to penalties provided in present law.

Effective August 1, 2022.

(Adds R.S. 6:424)