

TITLE 12 - BANKS AND BANKING
CHAPTER 16 - FEDERAL DEPOSIT INSURANCE CORPORATION

§ 1832. Withdrawals by negotiable or transferable instruments for transfers to third parties

(a) Authority of depository institution; applicability

(1) Notwithstanding any other provision of law but subject to paragraph (2), a depository institution is authorized to permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, political, or other similar purposes and which is not operated for profit, and with respect to deposits of public funds by an officer, employee, or agent of the United States, any State, county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, any territory or possession of the United States, or any political subdivision thereof.

(b) “Depository institution” defined

For purposes of this section, the term “depository institution” means—

- (1) any insured bank as defined in section 1813 of this title;
- (2) any State bank as defined in section 1813 of this title;
- (3) any mutual savings bank as defined in section 1813 of this title;
- (4) any savings bank as defined in section 1813 of this title;
- (5) any insured institution as defined in section 1724¹ of this title; and
- (6) any building and loan association or savings and loan association organized and operated according to the laws of the State in which it is chartered or organized; and, for purposes of this paragraph, the term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands.

(c) Fine

Any depository institution which violates this section shall be fined \$1,000 for each violation.

Footnotes

¹ See References in Text note below.

(Pub. L. 93–100, § 2, Aug. 16, 1973, 87 Stat. 342; Pub. L. 94–222, § 2, Feb. 27, 1976, 90 Stat. 197; Pub. L. 95–630, title XIII, § 1301, Nov. 10, 1978, 92 Stat. 3712; Pub. L. 96–161, title I, § 106, Dec. 28, 1979, 93 Stat. 1235; Pub. L. 96–221, title III, § 303, Mar. 31, 1980, 94 Stat. 146; Pub. L. 97–320, title VII, § 706(a), Oct. 15, 1982, 96 Stat. 1540; Pub. L. 100–86, title I, § 109, Aug. 10, 1987, 101 Stat. 579.)

References in Text

Section 1724 of this title, referred to in subsec. (b)(5), was repealed by Pub. L. 101–73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

Codification

Section was not enacted as part of the Federal Deposit Insurance Act which comprises this chapter.

Amendments

1987—Subsec. (a)(2). Pub. L. 100–86 inserted “political,” after “educational.”.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

1982—Subsec. (a)(2). Pub. L. 97–320 inserted provisions relating to deposits of public funds.

1980—Subsec. (a). Pub. L. 96–221 designated existing provisions as par. (1) inserted provisions expanding authorization for withdrawals from selected States to the entire United States, and added par. (2).

1979—Subsec. (a). Pub. L. 96–161 inserted “New Jersey,” after “New York.”

1978—Subsec. (a). Pub. L. 95–630 inserted “New York,” after “Vermont.”

1976—Subsec. (a). Pub. L. 94–222 authorized withdrawals by negotiable or transferable instruments in the States of Connecticut, Rhode Island, Maine, and Vermont.

Effective Date of 1980 Amendment

Amendment by Pub. L. 96–221 effective Dec. 31, 1980, see section 306 of Pub. L. 96–221, set out as a note under section 371a of this title.

Effective Date of 1978 Amendment

Section 1302 of title XIII of Pub. L. 95–630 provided that: “This title [amending this section] shall take effect upon enactment [Nov. 10, 1978].”

Effective Date

Section effective on thirtieth day after Aug. 16, 1973, see section 8 of Pub. L. 93–100, set out as a note under section 1469 of this title.