

**SUBJECT:** Requiring disclosure of payable-on-death account information

**COMMITTEE:** Judiciary and Civil Jurisprudence — favorable, without amendment

**VOTE:** 8 ayes — Smithee, Farrar, Clardy, Laubenberg, Raymond, Schofield, Sheets, S. Thompson

0 nays

1 absent — Hernandez

**WITNESSES:** For — Patricia (Trish) McAllister, Texas Access to Justice Commission; Julie Balovich; Bruce Bower; (*Registered, but did not testify*: Stephen Scurlock, Independent Bankers Association of Texas; Randall Chapman; Guy Herman)

Against — None

**BACKGROUND:** Estates Code, sec. 113.052 provides the uniform single-party or multiple-party account selection form notice, or the uniform account form. The uniform account form provides customers with information regarding the types of accounts available to them, including single-party accounts with payable-on-death designations, multiple-party accounts with rights of survivorship, and trust accounts.

**DIGEST:** HB 704 would require financial institutions to disclose the information in the uniform account form at the time a customer selected or modified an account. If a bank used the uniform account form, the bank would be required to have the customer initial every paragraph of the form.

If a bank varied the format of the uniform account form, the disclosures contained in the form would be required to be given separately from other account information, be provided before account selection or modification, be printed in 14-point bold type, and, if discussions with the customer were primarily in a foreign language, be in that language. The financial institution would be required to notify the customer of the type

of account the customer selected.

This bill would take effect September 1, 2015, and would apply only to accounts created or modified on or after that date.

**SUPPORTERS  
SAY:**

HB 704 is necessary to make customers, especially low-income customers, aware of the option for a payable-on-death account. Payable-on-death accounts allow ownership of the account to pass to designated beneficiaries following the account holder's death without the need for probate administration. This would allow for access to the accounts by heirs without costly and time-consuming probate procedures. Low-income customers often leave behind accounts with balances that are too small to cover the costs of probate or small account affidavits, making it impossible for heirs to access the accounts on the death of their loved ones.

Financial institutions already are required to make the disclosures involved in this bill. HB 704 simply would ensure that customers were given meaningful notice of the disclosures.

**OPPONENTS  
SAY:**

No apparent opposition.