



BANKING ISSUANCE

Comptroller of the Currency
Administrator of National Banks

Type: Banking Circular

Subject: Service Charges on Dormant Accounts
and Abandoned Property Law

TO: Chief Executive Officers of National Banks

Considerable attention has recently been focused on the amount of unclaimed property held by the nation's financial institutions. In particular, the policies, practices and procedures of national banks as they relate to dormant accounts and state abandoned property laws have been the subject of much discussion and a recent congressional hearing.

DORMANT ACCOUNTS

Interpretive Ruling 12 CFR 7.7515, Service Charges on Dormant Accounts, provides that "A national bank may, consistent with contracts of deposit, impose such service charges on dormant accounts as its board of directors determines to be reasonable." The directorate of each national bank is responsible for reviewing the basis for the bank's service charges on dormant accounts and for recording its determination that the charges are reasonable. The record of the board's determination of reasonableness will be reviewed by national bank examiners during the course of their examination.

ABANDONED PROPERTY LAW

It has been, and will continue to be, the policy of this Office to monitor national banks' compliance with applicable state laws, including abandoned property law. To this end, we are revising our examination procedures to enable us to more effectively evaluate compliance with those laws and to assure that prompt remedial action is taken when violations are found.

The directorate and management of each national bank are responsible for implementing policies and operating procedures which will insure compliance with all applicable state abandoned property laws. These policies and procedures should be tested by the bank's internal and external auditors and will be reviewed by national bank examiners during the course of their examination.

You are encouraged to stay abreast of developments in this area and to evaluate the impact



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they may have on your bank.

ORIGINATING OFFICE

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