

**HB 2218 STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

---

**Prepared By:** Jan Nordlund, LPRO Analyst  
**Sub-Referral To:** House Committee On Revenue  
**Meeting Dates:** 3/6

---

**WHAT THE MEASURE DOES:**

Requires financial institution to provide reason for account closure when account closed without consent of account holder.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Financial institutions are not prohibited from choosing to close a customer's account. When an account is closed abruptly, the account holder is faced with having to make arrangements with entities that process electronic funds transfers for monthly bill payments and that make direct deposits for payroll and Social Security payments.

House Bill 2218 applies to all FDIC-insured institutions, extranational institutions directly engaged in banking, and all credit unions. The following type of accounts are subject to the measure's notification requirement: demand deposit accounts, checking or negotiable withdrawal order accounts, savings accounts, share draft accounts, time deposit accounts, and money-market mutual fund accounts. The notification requirement does not apply when a credit account is unilaterally closed.