
Introduced by Senator Speier

February 18, 2005

An act to add Section 760 to the Financial Code, relating to banks.

LEGISLATIVE COUNSEL'S DIGEST

SB 550, as introduced, Speier. Bank account numbers.

Existing law provides for the regulation of banks by the Department of Financial Institutions.

This bill would require a bank to maintain certain procedures if the bank issues customer account numbers that were previously held by other customers.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 760 is added to the Financial Code, to
2 read:
3 760. Banks issuing customer account numbers that were
4 previously held by other customers shall maintain the following
5 procedures:
6 (a) In the case of a check that is drawing on a recycled account
7 number, a bank shall, with a reasonable degree of certainty,
8 match at least three categories of identifying information within
9 the file maintained by the bank on the customer with the
10 information provided on the check. The categories of identifying
11 information may include, but are not limited to, first and last
12 name, month and date of birth, driver's license number, place of
13 employment, current residence address, previous residence
14 address, or social security number.

1 (b) At the time an account is opened using a number
2 previously held by a different customer, a bank shall provide the
3 customer with a clear and conspicuous written notification of that
4 fact. In the case of an existing account that is using an account
5 number that was previously held by a different customer, a bank
6 shall, by January 1, 2007, provide customers with a separate clear
7 and conspicuous written notification of that fact.

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