

By: Farrar

H.B. No. 704

A BILL TO BE ENTITLED

AN ACT

relating to disclosures on selection or modification of an account by a customer of a financial institution.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 113.053, Estates Code, is amended to read as follows:

Sec. 113.053. REQUIRED DISCLOSURE; USE OF FORM~~DISCLOSURE~~[+]. (a) A financial institution shall disclose the information provided in this subchapter to a customer at the time the customer selects or modifies an account. A financial institution is considered to have ~~[adequately]~~ disclosed the information provided in this subchapter if:

(1) the financial institution uses the form provided by Section 113.052; and

(2) the customer places the customer's initials to the right of each paragraph of the form.

(b) If a financial institution varies the format of the form provided by Section 113.052, the financial institution may make disclosures in the account agreement or in any other form that ~~[adequately]~~ discloses the information provided by this subchapter. Disclosures under this subsection must:

(1) be given separately from other account information;

(2) be provided before account selection or

1 modification;

2 (3) be printed in 14-point boldfaced type; and

3 (4) if the discussions that precede the account
4 opening or modification are conducted primarily in a language other
5 than English, be in that language.

6 (c) The financial institution shall notify the customer of
7 the type of account the customer selected [~~If the customer receives~~
8 ~~adequate disclosure of the ownership rights to an account and the~~
9 ~~names of the parties are appropriately indicated, a financial~~
10 ~~institution may combine any of the provisions in, and vary the~~
11 ~~format of, the form and notices described in Section 113.052 in:~~

12 [~~(1) a universal account form with options listed for~~
13 ~~selection and additional disclosures provided in the account~~
14 ~~agreement; or~~

15 [~~(2) any other manner that adequately discloses the~~
16 ~~information provided by this subchapter].~~

17 SECTION 2. This Act applies only to an account created or
18 modified on or after the effective date of this Act. An account
19 created or modified before the effective date of this Act is
20 governed by the law in effect when the account was created or
21 modified, and the former law is continued in effect for that
22 purpose.

23 SECTION 3. This Act takes effect September 1, 2015.