

TITLE 20: DEPARTMENT OF COMMERCE

**SUBCHAPTER 20-20.4
DORMANT AND INACTIVE ACCOUNTS AND UNCLAIMED FUNDS
REGULATIONS**

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Subchapter Authority: 1 CMC § 2454; 4 CMC § 6106; 4 CMC § 6513.

Subchapter History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: 1 CMC § 2451 originally created the Department of Commerce and Labor. 1 CMC § 2454 directs the Department to adopt rules and regulations regarding those matters over which it has jurisdiction. 4 CMC § 6106 empowers the Department of Commerce and Labor to administer and enforce the provisions of the banking code and to adopt such policies, rules and regulations as may be necessary for the exercise of the powers and duties conferred by the banking code. 4 CMC § 6513 directs the Department of Commerce to adopt rules and regulations pertaining to dormant and inactive accounts and unclaimed funds to implement the statute. The Commission renumbered the section numbers in this subchapter pursuant to 1 CMC § 3806(a).

Part 001 - General Provisions

§ 20-20.4-001 Authority and Purpose

(a) Authority. The authority for the promulgation and issuance of this subchapter is by virtue of 1 CMC § 2454 (authority to make Commerce Regulations) and 4 CMC § 6106(k) (authority to make banking regulations) and 6513 (Dormant and Inactive Accounts and Unclaimed Funds).

(b) Purpose. The purpose of this subchapter is to establish policies and procedures to implement and provide uniform enforcement of the Commonwealth statute 4 CMC § 6513 regarding treatment of Dormant and Inactive Accounts and Unclaimed Funds.

Modified, 1 CMC § 3806(a).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission renumbered the sections in this subchapter when originally adopted.

§ 20-20.4-005 Definitions

(a) "Dormant Account" shall mean an account in which there has been no deposits into or withdrawals from: Savings Account (or Passbook Savings) for a period of twenty-four months and Checking Account for a period of six months;

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(b) “Inactive Account” shall have the same meaning as a Dormant Account.

(c) “Abandoned Funds” shall mean the following: unidentified deposits such as Certificates of Deposits, Money Market Certificates and other depository certificates or notes which have matured for a period of twelve months; Bank Drafts, Cashier’s Checks, or bank drafts which have not been presented for payment for eighteen months; and unidentified loan payment for six months.

Modified, 1 CMC § 3806(e).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission struck the figures “(24)” and “(6)” in subsection (a), and “(12),” “(18),” and “(6)” from subsection (c) as mere repetitions of written words.

§ 20-20.4-010 Initial Report to the Commonwealth

(a) Within 30 days of adoption of these regulations, all banks operating in the CNMI shall prepare a report in compliance with the requirements of 4 CMC § 6514 and transmit to the Director of Banking and CNMI Treasurer.

(b) Some banks complied with previous legislation (Public Law 17-69), even with the absence of regulations, and are therefore waived of this initial report. Sufficient time has been accorded to those who failed to submit any report at all.

(c) In the event the report is not made within 30 days of adoption of these regulations, a bank shall pay a late fee of \$5.00 daily for each day the report is late.

Modified, 1 CMC § 3806(c), (g).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission changed the reference number “P.L. 18-69 § 5” in subsection (a) to “4 CMC § 6514” to agree with the codified section number. The Commission replaced the word “have” in subsection (b) with “has” to correct a manifest error.

§ 20-20.4-015 Publication of Notice

(a) On July 1 and August 1 of each year banks shall publish the notification required under 4 CMC § 6513 for accounts that are classified as Dormant Accounts; Inactive Accounts; or Abandoned Funds. The publication shall be entitled “Notice of Inactive Bank Accounts” and shall contain:

(1) the names, in alphabetical order, and last known address, if any, of depositors of inactive accounts; and

(2) a statement that such funds shall be transferred to the Commonwealth Treasurer during the month of October of the same year.

(b) In the event the notice and publication are not made by July 1st and August 1st, a bank shall pay a late fee of \$5.00 daily for each day the Notice is late.

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Modified, 1 CMC § 3806(c).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission changed the reference number “Public Law 18-69” in subsection (a) to “4 CMC § 6513” to agree with the codified section number.

§ 20-20.4-020 Annual Transfer of Funds to the Commonwealth

(a) During the month of October of each year following the publication required by § 20-20.4-015, a bank shall transfer to the Director of Banking and CNMI Treasurer all balances of accounts as provided in 4 CMC § 6513(a), (d), (e), and (f).

(b) In the event the funds are not transferred by October 1st of the year immediately following the publication required by § 20-20.4-015, a bank shall pay a late fee of \$5.00 daily for each day the report is late.

(c) Transfer of funds shall be accompanied by digital record or hard copies with the following information:

- (1) name of accountholder or known owner;
- (2) picture identification of account holder or signatory;
- (3) date of initial deposit or receipt of funds by bank;
- (4) type of account or transaction;
- (5) account identification number;
- (6) date of when account became dormant;
- (7) legible signature specimen;
- (8) amount of funds being transferred;
- (9) charges imposed by bank prior to transfer;
- (10) date of publication of notice, and
- (11) date of transfer.

Modified, 1 CMC § 3806(c).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission changed the reference number “section 20-20.4-004” in subsections (a) and (b) to “§ 20-20.4-015” to agree with the codified section number. The Commission changed the reference number “PL 18-69 (a)(d)(e)(f)” to “4 CMC § 6513(a), (d), (e), and (f)” to agree with the codified section number.

§ 20-20.4-025 Holding of Funds by the Commonwealth

(a) Funds transferred to the Commonwealth Treasurer under requirements of § 20-20.4-020 (“Transferred Funds”) shall be held in trust in a separate account for the original owners in a bank insured by the Federal Deposit Insurance Corporation.

(b) Transferred Funds shall be held in an interest bearing account and shall accumulate interest as provided by the depository institution.

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(c) Transferred Funds shall be held in trust by the Commonwealth for a three-year period from date of notice by bank (“Three-Year Period”).

(d) Upon receipt of the transferred funds and each year thereafter during the Three-Year Period, the Department of Finance shall charge a one percent charge against the principal to cover administrative costs.

(e) After six months beginning at the start of the Three-Year Period per Transferred Fund, the Department of Finance shall transfer remaining balance to the account of the Department of Commerce.

(f) During Three-Year Period, owners of Transferred Funds may make claim on funds as identified in 4 CMC § 6513(h).

(g) Transferred Funds claimed by owners will be charged an administrative expense fee of one percent upon disbursement.

(h) Upon expiration of a Three-Year Period from the date of notice required under § 20-20.4-015, Transferred Funds and associated interest shall escheat to the Commonwealth and all claims of the owners of any nature extinguished.

Modified, 1 CMC § 3806(c), (f), (g).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission changed the reference number “section 20-20.4-004” in subsections (a) and (b) to “§ 20-20.4-020” to agree with the codified section number. The Commission changed the reference number “section 20-20.4-004” in subsection (h) to “§ 20-20.4-015” to agree with the codified section number. The Commission changed the reference number “PL 18-69” to “4 CMC § 6513(h)” in subsection (f) to agree with the codified section number. The Commission capitalized the phrase “three-year period” in subsection (h) for the purpose of conformity. The Commission struck “be” from subsection (e) to correct a manifest error.

§ 20-20.4-030 Filing a Claim with Commonwealth Government

(a) Within the Three-Year Period, bona fide owner of an account in the Transferred Funds shall file a claim to the Office of Banking Division, Department of Commerce.

(b) Owner shall first fill out a claim form provided by Commerce, to be accompanied by the following documents, as proof of ownership to such account:

(1) two identification documents: one with picture, indicating date of birth; one with referenced number when bank account was opened (passport or driver’s license), one with Social Security number;

(2) an original document from a respective bank reflecting the actual opening of an account; a certificate of deposit; a receipt of the deposit; a cancelled check indicating such deposit; duplicate copy of cashier’s check; or any type of document supporting such claim;

(3) if the account owner is deceased, leaving no will, a court order from a probate court must be submitted, with all pertinent information;

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(4) if the account is in the name of a company, an association, or other type of organization, and signatories are no longer part of the organization, such entity of business licenses, current tax records, minutes of meetings, annual corporation reports (non-profit, LLC included), and others as required by the Department of Commerce.

(c) Upon review, the Department of Commerce will request check issuance to the owner of the account, after corresponding fees are deducted from the Transferred Funds.

(d) Checks shall be picked up from the Office of the Banking Division, and shall be acknowledged by the account owner or authorized signatory, not a representative.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 37 Com. Reg. 36934 (Sept. 28, 2015); Proposed 37 Com. Reg. 36622 (June 28, 2015).

Commission Comment: The Commission decapitalized the word “Court” in subsection (b)(3) for the purpose of conformity. The Commission changed the periods at the end of subsections (b)(1)–(3) to semicolons to correct manifest errors. The Commission changed “by” in subsection (d) to “be” to correct a manifest error.