

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

# A Bill

HOUSE BILL 2415

5 By: Representative Napper  
6  
7

## For An Act To Be Entitled

9 AN ACT TO CLARIFY THE RESPONSIBILITIES AND  
10 LIABILITIES OF BANKS WITH REGARD TO A POWER OF  
11 ATTORNEY; AND FOR OTHER PURPOSES.  
12

## Subtitle

14 AN ACT TO CLARIFY THE RESPONSIBILITIES  
15 AND LIABILITIES OF BANKS WITH REGARD TO  
16 A POWER OF ATTORNEY.  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code § 28-68-408 is amended to read as follows:

22 28-68-408. Construction of power relating to banking and other  
23 financial institution transactions.

24 (a) In a statutory power of attorney, the language granting power with  
25 respect to banking and other financial institution transactions, empowers the  
26 agent to:

27 (1) continue, modify, and terminate an account or other banking  
28 arrangement made by or on behalf of the principal;

29 (2) establish, modify, and terminate an account or other banking  
30 arrangement with a bank, trust company, savings and loan association, credit  
31 union, thrift company, brokerage firm, or other financial institution  
32 selected by the agent;

33 (3) hire a safe deposit box or space in a vault;

34 (4) contract to procure other services available from a  
35 financial institution as the agent considers desirable;

36 (5) withdraw by check, order, or otherwise money or property of



1 the principal deposited with or left in the custody of a financial  
2 institution;

3 (6) receive bank statements, vouchers, notices, and similar  
4 documents from a financial institution and act with respect to them;

5 (7) enter a safe deposit box or vault and withdraw or add to the  
6 contents;

7 (8) borrow money at an interest rate agreeable to the agent and  
8 pledge as security personal property of the principal necessary in order to  
9 borrow, pay, renew, or extend the time of payment of a debt of the principal;

10 (9) make, assign, draw, endorse, discount, guarantee, and  
11 negotiate promissory notes, checks, drafts, and other negotiable or  
12 nonnegotiable paper of the principal, or payable to the principal or the  
13 principal's order, receive the cash or other proceeds of those transactions,  
14 accept a draft drawn by a person upon the principal, and pay it when due;

15 (10) receive for the principal and act upon a sight draft,  
16 warehouse receipt, or other negotiable or nonnegotiable instrument;

17 (11) apply for and receive letters of credit, credit cards, and  
18 traveler's checks from a financial institution, and give an indemnity or  
19 other agreement in connection with letters of credit; and

20 (12) consent to an extension of the time of payment with respect  
21 to commercial paper or a financial transaction with a financial institution.

22 (b) Banks and other financial institutions shall honor a properly  
23 executed statutory power of attorney for the purposes enumerated under  
24 subsection (a) of this section, and shall not be held liable for:

25 (1) The authenticity of the document or the validity of the  
26 purported appointment;

27 (2) The validity or propriety of any action of the purported  
28 agent or attorney under the document consistent with subsection (a) of this  
29 section; or

30 (3) The validity or propriety of any instruments executed or  
31 instruction given by the agent or attorney under the document consistent with  
32 subsection (a) of this section.

33  
34  
35  
36