

FINAL BILL REPORT

SB 5444

C 19 L 91 E1

SYNOPSIS AS ENACTED

**Brief Description:** Extending the time for a bank customer to discover and report unauthorized signatures and alterations.

**SPONSORS:** Senators Moore and A. Smith.

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**BACKGROUND:**

A bank customer must exercise reasonable care and promptness in examining a statement of his or her account to discover an unauthorized signature or other alteration. If the customer identifies such an alteration, he or she must promptly notify the bank.

Regardless of the customer's care, he or she is prohibited from asserting such an alteration against the bank unless the customer discovers and reports the alteration to the bank within 60 days. The 60 day period is measured from the time the statement is made available to the customer.

**SUMMARY:**

The period of time in which a bank customer must discover and report an unauthorized signature or other alteration is changed. An individual customer must discover and report any such alteration within one year in order to assert the alteration against the bank. Commercial accounts are still subject to the 60 day detection period.

**VOTES ON FINAL PASSAGE:**

First Special Session

Senate	46	0	
House	93	0	(House amended)
Senate	45	0	(Senate concurred)

**EFFECTIVE:** September 29, 1991