

**§ 54C-167. Personal agency accounts.**

(a) A person may open a personal agency account by written contract containing a statement that it is executed under this section. A personal agency account may be a checking account, savings account, time deposit, or any other type of withdrawable account or certificate. The written contract shall name an agent who shall have authority to act on behalf of the depositor in regard to the account as set out in this subsection. The agent shall have the authority to:

- (1) Make, sign, or execute checks drawn on the account or otherwise make withdrawals from the account;
- (2) Endorse checks made payable to the principal for deposit only into the account; and
- (3) Deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account.

A person establishing an account under this section shall sign a statement containing language substantially similar to the following in a conspicuous manner:

"SAVINGS BANK (or name of institution)  
PERSONAL AGENCY ACCOUNT  
G.S. 54C-167

I understand that, by establishing a personal agency account under G.S. 54C-167, the agent named in the account may:

1. Sign checks drawn on the account; and
2. Make deposits into the account.

I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

"

(b) An account created under this section grants no ownership right or interest in the agent. Upon the death of the principal there is no right of survivorship to the account and the authority set out in subsection (a) of this section terminates.

(c) The written contract referred to in subsection (a) of this section shall provide that the principal may elect to extend the authority of the agent to act on behalf of the principal in regard to the account notwithstanding the subsequent incapacity or mental incompetence of the principal. If the principal so elects to extend the authority of the agent, then upon the subsequent incapacity or mental incompetence of the principal, the agent may continue to exercise the authority, without the requirement of bond or of accounting to any court, until the agent receives actual knowledge that the authority has been terminated by a duly qualified guardian of the estate of the incapacitated or incompetent principal, or by the duly appointed attorney-in-fact for the incapacitated or incompetent principal, acting under a durable power of attorney, as defined in G.S. 32A-8 [see now G.S. 32C-1-102], which grants to the attorney-in-fact that authority in regard to the account which is granted to the agent by the written contract executed under this section, at which time the agent shall account to the guardian or attorney-in-fact for all actions of the agent in regard to the account during the incapacity or incompetence of the principal. If the principal does not so elect to extend the authority of the agent, then upon the subsequent incapacity or mental incompetence of the principal, the authority of the agent terminates.

(d) When an account under this section has been established, all or part of the account or any interest or dividend thereon may be paid by the savings bank on a check made, signed, or executed by the agent. In the absence of actual knowledge that the principal has died or that the agency created by the account has been terminated, the payment is a valid and sufficient discharge to the savings bank for payment so made. (1991, c. 680, s. 1.)