

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding in Article 9 of Chapter 4.01 of Title 6.1 sections*
3 *numbered 6.1-225.50:1 and 6.1-225.50:2, relating to fiduciary accounts in credit unions.*

4 [H 573]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That the Code of Virginia is amended by adding in Article 9 of Chapter 4.01 of Title 6.1**
8 **sections numbered 6.1-225.50:1 and 6.1-225.50:2 as follows:**

9 § 6.1-225.50:1. *Accounts of fiduciaries.*

10 *A credit union may issue shares and maintain share accounts in the name of any person or entity*
11 *eligible for membership in such credit union pursuant to § 6.1-225.23 as administrator, executor,*
12 *custodian, conservator, guardian, trustee or other fiduciary for a named beneficiary or beneficiaries.*
13 *The payment of funds from any such account pursuant to a share draft or other written order of*
14 *withdrawal signed by the fiduciary, or delivery of funds in such account to such fiduciary, or a receipt*
15 *signed by any such fiduciary with regard to the payment of funds from such account, shall be valid and*
16 *sufficient release and discharge of the credit union for the payment or delivery so made.*

17 § 6.1-225.50:2. *Credit union need not inquire as to fiduciary funds used to purchase shares in*
18 *fiduciary's personal account.*

19 *If any fiduciary or agent purchases shares in a credit union in his own name (i) with share drafts or*
20 *other instruments drawn by him upon an account in his own name as fiduciary, (ii) with share drafts or*
21 *other instruments drawn by him upon an account in the name of his principal, if he is empowered to*
22 *draw share drafts or other instruments thereto, or (iii) with share drafts or other instruments payable to*
23 *his principal and endorsed by him as fiduciary, the credit union issuing such shares shall not be bound*
24 *to inquire whether the fiduciary is committing thereby a breach of his obligation as fiduciary. The credit*
25 *union is authorized to pay the amount of the shares issued or any part thereof upon the withdrawal by*
26 *the fiduciary without being liable to the principal, unless the credit union receives payment for the*
27 *shares or pays the withdrawal with the actual knowledge that the fiduciary, in purchasing such shares*
28 *or in making such withdrawal, is committing a breach of his obligation as a fiduciary, or with*
29 *knowledge of such facts that its action in issuing the shares or paying the withdrawal amounts to bad*
30 *faith.*

ENROLLED

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