
NDBA Live

September 3, 2025

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DISCLAIMER: THESE MATERIALS PROVIDE GENERAL INFORMATION AND ARE INTENDED FOR EDUCATIONAL PURPOSES ONLY. THESE MATERIALS DO NOT PROVIDE, NOR ARE THEY INTENDED TO SUBSTITUTE FOR, LEGAL ADVICE.

Member Questions

Question 1: I'm reaching out to see if you can provide some insight regarding a minor savings account.

Specifically, what happens to the funds in a joint savings account held between a minor child and their father after the father's death? I understand that minors cannot legally manage the funds themselves, so I'm wondering what the appropriate next steps should be in this situation.

Response: It is important to understand whether the account is jointly owned or a custodial account.

Custodial accounts are governed by the rules of the Uniform Transfers to Minors Act (UTMA), which has been adopted in North Dakota as [Ch. 47-24.1, N.D.C.C.](#) The account is owned by the minor but managed by an adult and a new adult would need to be named as the custodian. Note: "A custodian at any time may designate... a successor custodian by executing and dating an instrument of designation before a subscribing witness other than the successor." N.D.C.C. § 47-24.1-18(2). "If a custodian...dies...without having effectively designated a successor and the minor has attained the age of

fourteen years, the minor may designate a[] successor custodian...If the minor has not attained the age of fourteen years or fails to act within sixty days after the...death...the conservator of the minor becomes successor custodian. If the minor has no conservator or the conservator declines to act, the transferor, the legal representative of the transferor or of the custodian, an adult member of the minor's family, or any other interested person may petition the court to designate a successor custodian." N.D.C.C. § 47-24.1-18(4).

Joint accounts are owned jointly by the adult and the minor. The issue with minor owned accounts that it is governed by the laws that restrict the enforceability of a contract with a minor. The other issue is that the account would also be owned by the adult's estate.

The minor on a joint savings account can manage the funds but the problem is that their contracts, unless for a necessity, can be voided. It is possible for a Personal Representative of the decedent to take ownership of the account on behalf of the estate and therefore the estate would be responsible for the transactions of the minor.

I hope this answers some of your questions. Please note that every situation is different and this email should not be construed as legal advice.

Question 2: How can we determine who should be signing notes for sole props (particularly ag) where the spouses are operating together but there isn't any formal legal documentation for the entity, and we're remaining Reg B compliant?

Response: It will depend on a lot of things. Do the spouses file a partnership tax form? Are they using a trade name? Are they both listed as borrowers and do they both actively engage in farming?

Each situation will be different. Sometimes a spouse has another job and has limited involvement in the farming operation but might have an ownership in land, equipment and other assets.

Reg B is primarily concerned about a spouse taking responsibility for loans that are for business or agricultural purposes when that spouse doesn't have any interest in the business but generally will not affect the Bank's ability to have the spouse waive or subordinate its rights in the business's assets to the bank.

Question 3: As a follow up to question 2 –

Is there a way we can easily determine who should be signing notes? At my last position, we had farmers write something up saying they were the only operator or 50/50% with their spouse, etc.

Secondly, if the spouse signs on one note, should they be signing all notes or it case by case based on the factors above?

Response: It is hard for me to answer your question because each circumstance will be fact specific. Below is a link to Regulation B § 1002.7 Rules concerning extensions of credit. Which also contains official interpretations of each section.

[§ 1002.7 Rules concerning extensions of credit. | Consumer Financial Protection Bureau](#)

Below is a more general guide for spousal signatures under Regulation B.

Regulation B Spouse Signature Compliance Guide

Step 1: Determine Application Status

- Did the spouse apply jointly as a co-borrower?
 - YES – Spouse may sign the promissory note.
 - NO – Proceed to Step 2.

(12 C.F.R. § 1002.7(d)(1): Generally, “a creditor shall not require the signature of an applicant’s spouse or other person, other than a joint applicant, on any credit instrument if the applicant qualifies under the creditor’s standards of creditworthiness for the amount and terms of the credit requested. A creditor shall not deem the submission of a joint financial statement or other evidence of jointly held assets as an application for joint credit.”)

Step 2: Evaluate Applicant’s Independent Creditworthiness

- Does the applicant independently meet the bank’s credit standards?
 - YES – Do NOT require spouse’s note signature.
 - NO – Proceed to Step 3.

(See above citation to 12 C.F.R. § 1002.7(d)(1) and below citation to 12 C.F.R. § 1002.7(d)(5).)

Step 3: Need for Additional Support

- Is an additional obligor required to support repayment?
 - YES – Applicant chooses the cosigner/guarantor.
 - If spouse is chosen, spouse may sign the note.
 - If spouse is not chosen, do NOT require spouse’s signature.
 - NO – Do NOT require spouse’s signature.

(12 C.F.R. § 1002.7(d)(5): “If, under a creditor’s standards of creditworthiness, the personal liability of an additional party is necessary to support the credit requested, a creditor may request a cosigner, guarantor, endorser, or similar party. The applicant’s spouse may serve as an additional party, but the creditor shall not require that the spouse be the additional party.”)

Step 4: Collateral Ownership

- Is collateral jointly owned with the spouse?
 - YES – Spouse may be required to sign lien documents (mortgage, security agreement). This does NOT extend to the promissory note unless they are a co-borrower.
 - NO – Do NOT require spouse's signature.

(12 C.F.R. § 1002.7(d)(4): "If an applicant requests secured credit, a creditor may require the signature of the applicant's spouse or other person on any instrument necessary, or reasonably believed by the creditor to be necessary, under applicable state law to make the property being offered as security available to satisfy the debt in the event of default, for example, an instrument to create a valid lien, pass clear title, waive inchoate rights, or assign earnings.")

Step 5: Prohibited Practices (Red Flags)

- Never require spouse's signature solely because applicant is married.
- Never automatically make all spouses co-borrowers.
- Never condition loan approval on spouse signing unless justified under Steps 1–4.

Step 6: Documentation

- Document credit analysis results.
- Retain applicant's written choice if spouse was selected as guarantor.
- Distinguish between liability on the note and ownership lien rights.

Potential Impact of Stablecoins on Financial Industry

[According to the Federal Reserve Bank of Kansas City](#), the explosive growth projected for the stablecoin market could cause a significant redistribution of funds within the U.S. financial system. As stablecoins gain popularity, people may transfer funds from banks (as deposits) to issuers (as stablecoins). Since stablecoin issuers tend to back their tokens heavily with U.S. Treasuries, this shift could increase demand for Treasuries but reduce the supply of loans in the economy.

Coalition of Groups Calls for Changes to GENIUS Act

On August 13, 2025, a coalition of state financial regulators, state legislators, consumer advocacy groups, and banking industry trade associations submitted [a letter](#) to Congress urging the removal of Section 16(d) of the GENIUS Act. This provision allows any state-chartered *uninsured* depository institution with a stablecoin subsidiary to perform traditional money transmission and custody activities nationwide through that subsidiary, effectively bypassing host state licensing and allowing substantially less state oversight.

Banking Groups Warn on Stablecoin Interest Payments

On August 12, 2025, several bank trade associations sent [a letter](#) to Congress highlighting concerns regarding a potential loophole in the GENIUS Act that could undermine its prohibition on stablecoin issuers offering interest or yield. While the GENIUS Act prohibits such payments directly by issuers, the absence of an explicit prohibition applying to exchanges (which act as a distribution channel for stablecoin issuers or business associates) could allow payment of interest indirectly to holders of stablecoins.

FinCEN Issues Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity

On August 4, 2025, FinCEN issued a [Notice](#) to financial institutions urging them to be vigilant in identifying and reporting suspicious activity involving convertible virtual currency (CVC) kiosks (also called crypto ATMs). The notice describes illicit activity associated with CVC kiosks, provides red flag indicators to assist with identifying and reporting related suspicious activity, and reminds financial institutions of their reporting requirements under the BSA.

FinCEN Issues Advisory and Financial Trend Analysis on Chinese Money Laundering Networks

On August 28, 2025, FinCEN issued an [Advisory](#) to urge financial institutions to be vigilant in detecting the use of Chinese money laundering networks (CMLNs) by Mexico-based drug cartels and a [Financial Trend Analysis](#) highlighting the scope and breadth of CMLN activity in the United States.

1033/Open Banking Rule Update

On August 22, 2025, the Consumer Financial Protection Bureau (CFPB) issued its [advance notice of proposed rulemaking](#) (ANPR) regarding reconsideration of the Section 1033 “Open Banking” rule under the Dodd-Frank Act. The ANPR covers the following issues:

- **Scope of “Representative”** – The CFPB is soliciting feedback on how to define “representative” (i.e., who is legally allowed to request consumer financial data on behalf of a consumer). They’re considering whether this should be limited to fiduciaries or include a broader range of third parties.
- **Fee Prohibition** – The current rule prohibits financial institutions from charging fees when responding to consumer or authorized third-party data requests. The CFPB is now seeking comment on whether it should allow reasonable cost recovery or impose capped fees.
- **Data Security** – Stakeholder input is being requested regarding the burdens and benefits of existing data security requirements under Section 1033, particularly whether updated developments justify revising current standards.

- **Data Privacy** – The CFPB wants to understand the prevalence and impact of practices like the licensing or sale of consumer financial information and assess whether current privacy protections under the rule are sufficient.

Comments are due by October 21, 2025.

NDBA Legal Update

Be sure to check NDBA's Legal Update each month for important developments in banking law. This month's edition includes cases dealing with fraud, an EFTA Claim on Unauthorized Electronic Fund Transfers, and Uniform Commercial Code Article 4A. You can view the Legal Updates here: <https://www.ndba.com/news/Bulletin/>

Upcoming Events

NDBA has many exciting and informational events planned for 2025. Below are some special dates to mark on your calendars!

- **NDBA Regional Member Meeting** | September 8, 2025 | Grand Forks – UND Gorecki Alumni Center | [Event Brochure](#) | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA Regional Member Meeting** | September 9, 2025 | Fargo – Holiday Inn | [Event Brochure](#) | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA Regional Member Meeting** | September 10, 2025 | Bismarck – Sixteen03 Main Events | [Event Brochure](#) | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA Regional Member Meeting** | September 11, 2025 | Bottineau – Annie's House | [Event Brochure](#) | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA Effective Leadership Seminar** | September 30 - October 1, 2025 | Bismarck – Holiday Inn | [Online Registration](#)
- **NDBA Ag Credit Conference** | October 2-3, 2025 | Bismarck – Radisson Hotel
- **NDBA Bank Security Seminars** | October 7-8, 2025 | Bismarck and Fargo
- **NDBA Bank Compliance School** | October 20-23, 2025 | Bismarck and Virtual
- **NDBA Fraud Forum** | October 20, 2025 | Bismarck
- **NDBA Peer Group Consortium** | October 21, 2025 | Bismarck
- **NDBA IRA Fundamentals** | October 27, 2025 | Fargo – Delta Hotel by Marriott | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA Advanced IRAs** | October 28, 2025 | Fargo – Delta Hotel by Marriott | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA IRA Fundamentals** | October 29, 2025 | Bismarck – Courtyard by Marriott | [Online Registration](#) | [PDF Registration Form](#)

- **NDBA Advanced IRAs** | October 30, 2025 | Bismarck – Courtyard by Marriott | [Online Registration](#) | [PDF Registration Form](#)
- **NDBA HSA Half-Day Workshop** | October 31, 2025 | Bismarck – Courtyard by Marriott | [Online Registration](#) | [PDF Registration Form](#)