

**CHAPTER 34. NOW ACCOUNTS**

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**Authority**

The provisions of this Chapter 34 issued under section 202 of the Department of Banking Code (71 P. S. § 733-202); and sections 103, 804 and 813 of the Savings Association Code of 1967 (7 P. S. §§ 6020-3, 6020-114 and 6020-123), unless otherwise noted.

**Source**

The provisions of this Chapter 34 adopted December 26, 1980, effective December 27, 1980, 10 Pa.B. 4957, unless otherwise noted.

**§ 34.1. Definitions.**

The following words and terms, when used in this chapter have the following meanings, unless the context clearly indicates otherwise:

*Association*—A savings association subject to the Code.

*Code*—The Savings Association Code of 1967 (7 P. S. §§ 6020-1—6020-254).

*NOW Account*—A savings account from which the owner may make withdrawals by negotiable or transferable instruments for the purpose of making transfer to third parties.

*NOW Account agreement*—The agreement between the association and the owner of the account setting forth all terms and conditions applicable to the operation of a NOW Account. Such agreement shall constitute a savings account contract under section 803 of the Code (7 P. S. § 6020-113).

**§ 34.2. Issuance and interest.**

(a) An association may issue a NOW Account in accordance with sections 804 and 813 of the Code (7 P. S. §§ 6020-114 and 6020-123), this chapter, and the powers granted to federally-chartered savings and loans associations.

(b) A NOW account shall bear earning or interest except when the owner of the account and the association execute an agreement specifically providing for the waiver of earnings or interest on such account.

**§ 34.3. Overdrafts.**

Subject to the provisions contained in the NOW Account agreement, an association may extend credit in the form of overdraft privileges specifically related to NOW Accounts or may charge overdrafts to other savings accounts of the owner.

**§ 34.4. Fees.**

An association may charge a fee for maintaining or servicing a NOW Account including but not limited to, any payment or transfer or overdraft transaction.

**§ 34.5. Evidence of ownership.**

The NOW Account agreement and periodic statements provided to owners of NOW Accounts shall constitute evidence of ownership in accordance with section 805 of the Code (7 P. S. § 6020-115).

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