



# Minor (Youth) Accounts

Compliance & Common Scenarios



## Agenda

- Youth as members
- Accounts
  - Basic savings
  - UTMA accounts
  - As they grow
- Loans
- Common Situations





## Youth as Members

- Credit union bylaws set a minimum age *not to exceed 18 years old* for voting
- May be eligible to run for board and committee seats



## Accounts

- Montana says...
- Myths
- Credit union policy!





## Montana Code Says

**32-3-504.** Shares may be issued to a minor who may withdraw the shares including the dividends and interest thereon. Share payments made by the minor ... shall be valid in all respects. For such purposes a minor is deemed of full age.

**40-6-232.** Parental control over property of child. The parent, as such, has no control over the property of the child.



## Accounts

- When is a signature required/expected?
- Restrictions on activity
- Joint owner required
- Two signatures for withdrawal
- Debit card access





## UTMA Accounts

- Specific to state *opened* in
- **Montana** age for custodian transfer of property to minor is **21**
- Irrevocable transfer to a minor with no access or control by minor
- Successor custodian
- Request to negotiate an UTMA check



## Credit Union Policy

- Age for membership (bylaws)
- Requirement for a joint owner
- Age to allow own account
- Age to require/request signing name
- Products offered to youth
- Offer UTMA accounts
- Other?



## Loans to Minors

- Disaffirm contracts if signed before age of consent (18 in MT)
- Credit cards require *parent* consent
- CARD Act under 21 requirements
- What about building credit?
- Is the minor earning funds?



## Common Situations

- Check cashing
- Attempts to keep minor from accessing their own funds
- Family disputes using minor's account
- Relationship building should be a goal!



## Montana's Credit Unions

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