

June 17, 1999

Harold M. Carter, Jr., Esq.
Harris, Beach & Wilcox, L.L.P.
130 East Main Street
Rochester, New York 14604-1687

Re: Court-ordered Custodial Account.

Dear Mr. Carter:

You have inquired whether a court order, naming a federal credit union (FCU) as a "joint depository," requires the FCU to perform the functions of a guardian, exceeding the FCU's authority to act as a depository of the ward's funds. In your letter, you quote the following portion of the order:

Ordered, that said guardian collect and receive the monies and properties of said ward jointly with the [XYZ] FCU hereby designated as joint depository, subject to the further order of this court and shall be withdrawn or removed only on the order of this court.

This language in the court order appears simply to name the credit union as a depository and directs that the ward's funds be placed in the credit union and withdrawn only on the court's order. Our view is that a credit union acting under such an order may receive funds, assuming membership requirements are met and it has the account controls available to prevent withdrawals without a subsequent court order. A court order cannot vest a credit union with unauthorized fiduciary responsibilities, however, we do not see that the particular language you noted in this order places any unauthorized responsibilities on the credit union.

You have also asked how such an account should be titled. The account can be titled as follows: "[Name of Guardian], as guardian for [Name of Ward]." If you have any further questions, please feel free to call me or Staff Attorney Chrisanthy Loizos at (703) 518-6540.

Sincerely,

Sheila A. Albin
Associate General Counsel

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