



# HOUSE BILL 264: Wire Fraud Prevention Act.

2025-2026 General Assembly

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<b>Committee:</b>	House Judiciary 1. If favorable, re-refer to Commerce and Economic Development. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 8, 2025
<b>Introduced by:</b>	Reps. Zenger, Howard, Davis	<b>Prepared by:</b>	Ike McRee
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

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## **OVERVIEW: House Bill 264 would:**

- *Provide that a security procedure established between a customer and the bank to which the customer's payment order is addressed, (the "receiving bank"), to verify that a payment or payment cancellation order is that of the customer must require the receiving bank to verbally verify the payment order or communication with the customer.*
- *Provide that if a receiving bank accepts a payment order that is not the authorized order of the person identified as the sender, but is effective as an order of the customer under an agreement between the customer and the receiving bank that authenticity of payment orders will be verified pursuant to a security procedure, then the receiving bank must refund 25% of any payment under the payment order to the customer within 30 days.*
- *Provide that if the bank identified in a payment order in which an account of the person to be paid is to be credited, (the "beneficiary's bank"), accepts a payment order, the beneficiary's bank must pay the amount of the order to the person to be paid, (the "beneficiary"), and make payment on the payment date of the order. If acceptance of the payment order occurs after the bank's funds-transfer business day, the payment is due to the beneficiary the next funds-transfer business day. The bill would also provide that if the beneficiary's bank account was opened within one year and the payment amount is greater than \$100,000, the beneficiary's bank must pay the beneficiary only 25% of the payment amount on the payment date and the remaining amount 10 banking days later without interest.*

**CURRENT LAW:** A "security procedure" is a procedure established by agreement of a customer and a receiving bank for the purpose of (i) verifying that a payment order or communication amending or cancelling a payment order is that of the customer, or (ii) detecting error in the transmission or the content of the payment order or communication. (G.S. 25-4A-201)

If a receiving bank accepts a payment order issued in the name of its customer that is not authorized or not enforceable against the customer, the receiving bank must refund any payment of the payment order to the extent the receiving bank is not entitled to enforce payment. The receiving bank must also pay interest on the refundable amount. (G.S. 25-4A-204)

If a beneficiary's bank accepts a payment order, it is obliged to pay the amount of the order to the beneficiary. The payment is due on the payment date of the order, but if acceptance of the payment order

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occurs after the bank's close of business payment is due to the beneficiary on the next business day. (G.S. 25-4A-404)

## **BILL ANALYSIS:**

**Section 1** of the bill would amend G.S. 25-4A-201 to provide that a security procedure agreed to between a customer and a receiving bank must require that the receiving bank verbally verify a payment order or communication with the customer. If the receiving bank is also the beneficiary's bank, then the receiving bank would also be required to verbally verify the payment order or communication with the beneficiary.

**Section 2** of the bill would amend G.S. 24-4A-204 to provide that if a receiving bank accepts a payment order that is not the authorized order of the person identified as the sender, but is effective as an order of the customer under an agreement between the customer and the receiving bank that authenticity of payment orders will be verified pursuant to a security procedure, then the receiving bank must refund 25% of any payment under the payment order to the customer within 30 days.

**Section 3** of the bill would amend G.S. 25-4A-404 to provide that if a beneficiary's bank accepts a payment order, the beneficiary's bank must pay the amount of the order to the beneficiary and make payment on the payment date of the order. If acceptance of the payment order occurs after the bank's funds-transfer business day, the beneficiary is due payment on the bank's next funds-transfer business day. The bill would also provide that if the beneficiary's bank account was opened within one year and the payment amount is greater than \$100,000, the beneficiary's bank must pay the beneficiary only 25% of the payment amount on the payment date and the remaining amount 10 days later without interest.

**Section 4** of the bill would direct the Revisor of Statutes to cause to be printed as annotations to the published General Statutes all explanatory comments of the drafters of the act as the Revisor deems appropriate.

**EFFECTIVE DATE:** The act would become effective October 1, 2025 and apply to funds transfers commencing on or after that date.