

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H

1

HOUSE BILL 264

Short Title: Wire Fraud Prevention Act. (Public)

Sponsors: Representatives Zenger, Howard, and Davis (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Judiciary 1, if favorable, Commerce and Economic Development, if favorable,
Rules, Calendar, and Operations of the House

March 4, 2025

A BILL TO BE ENTITLED
AN ACT TO ENACT THE WIRE FRAUD PREVENTION ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 25-4A-201 reads as rewritten:

"§ 25-4A-201. Security procedure.

"Security procedure" means 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. A security procedure shall require the receiving bank to verbally verify the payment order or communication with the customer and, if the receiving bank is the beneficiary's bank, the beneficiary. A security procedure may also require the use of algorithms or other codes, identifying words or numbers, encryption, call-back procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer is not by itself a security procedure."

SECTION 2. G.S. 25-4A-204 reads as rewritten:

"§ 25-4A-204. Refund of payment and duty of customer to report with respect to unauthorized payment order.

(a) If a receiving bank accepts a payment order issued in the name of its customer as sender ~~which~~ that is (i) not authorized and not effective as the order of the customer under G.S. 25-4A-202, or (ii) not enforceable, in whole or in part, against the customer under G.S. 25-4A-203, the bank shall refund any payment of the payment order received from the customer to the extent the bank is not entitled to enforce payment and shall pay interest on the refundable amount calculated from the date the bank received payment to the date of the refund. However, the customer is not entitled to interest from the bank on the amount to be refunded if the customer fails to exercise ordinary care to determine that the order was not authorized by the customer and to notify the bank of the relevant facts within a reasonable time not exceeding 90 days after the date the customer received notification from the bank that the order was accepted or that the customer's account was debited with respect to the order. The bank is not entitled to any recovery from the customer on account of a failure by the customer to give notification as stated in this section.

(a1) If a receiving bank accepts a payment order issued in the name of its customer as sender that is not authorized under G.S. 25-4A-202(a) but that is effective as an order of the customer under G.S. 25-4A-202(b), the bank shall refund twenty-five percent (25%) of any



* H 2 6 4 - V - 1 *

1 payment of the payment order received from the customer within 30 days of discovering that the
2 payment order was not authorized.

3 (b) Reasonable time under subsection (a) of this section may be fixed by agreement as
4 stated in G.S. 25-1-302(b), but the obligation of a receiving bank to refund payment as stated in
5 subsection (a) of this section ~~may shall~~ not otherwise be varied by agreement."

6 **SECTION 3.** G.S. 25-4A-404 reads as rewritten:

7 "**§ 25-4A-404. Obligation of beneficiary's bank to pay and give notice to beneficiary.**

8 (a) Subject to G.S. 25-4A-211(e), 25-4A-405(d), and 25-4A-405(e), if a beneficiary's
9 bank accepts a payment order, the bank is obliged to pay the amount of the order to the
10 beneficiary of the order. Payment is due on the payment date of the order, but if acceptance
11 occurs on the payment date after the close of the funds-transfer business day of the bank, payment
12 is due on the next funds-transfer business day. However, if the beneficiary's account with the
13 bank was opened within one year and the payment amount is greater than one hundred thousand
14 dollars (\$100,000), the bank shall pay the beneficiary only twenty-five percent (25%) of the
15 payment amount on this date and shall pay the remaining amount 10 funds-transfer business days
16 later without interest.

17 (a1) If the bank refuses to pay after demand by the beneficiary and receipt of notice of
18 particular circumstances that will give rise to consequential damages as a result of nonpayment,
19 the beneficiary may recover damages resulting from the refusal to pay to the extent the bank had
20 notice of the damages, unless the bank proves that it did not pay because of a reasonable doubt
21 concerning the right of the beneficiary to payment.

22 (b) If a payment order accepted by the beneficiary's bank instructs payment to an account
23 of the beneficiary, the bank is obliged to notify the beneficiary of receipt of the order before
24 midnight of the next funds-transfer business day following the payment date. If the payment
25 order does not instruct payment to an account of the beneficiary, the bank is required to notify
26 the beneficiary only if notice is required by the order. Notice may be given by first-class mail or
27 any other means reasonable in the circumstances. If the bank fails to give the required notice, the
28 bank is obliged to pay interest to the beneficiary on the amount of the payment order from the
29 day notice should have been given until the day the beneficiary learned of receipt of the payment
30 order by the bank. No other damages are recoverable. Reasonable attorneys' fees are also
31 recoverable if demand for interest is made and refused before an action is brought on the claim.

32 (c) The right of a beneficiary to receive payment and damages as stated in subsection (a)
33 ~~may of this section shall~~ not be varied by agreement or a funds-transfer system rule. The right of
34 a beneficiary to be notified as stated in subsection (b) of this section may be varied by agreement
35 of the beneficiary or by a funds-transfer system rule if the beneficiary is notified of the rule before
36 initiation of the funds transfer."

37 **SECTION 4.** The Revisor of Statutes shall cause to be printed as annotations to the
38 published General Statutes all explanatory comments of the drafters of this act as the Revisor
39 deems appropriate.

40 **SECTION 5.** This act becomes effective October 1, 2025, and applies to funds
41 transfers commencing on or after that date.