

421—25.7(541A) Notice of nonapproved withdrawals and closure of the account.

25.7(1) *Nonapproved withdrawals and attempted withdrawals for nonapproved purposes.* The financial institution shall notify the operating organization within five calendar days of any withdrawals or attempted withdrawals that appear to be nonapproved. The financial institution shall refuse to release any funds that do not have the written authorization of approval from the operating organization.

25.7(2) *Closure of an IDA by the operating organization.* The operating organization may close an IDA if the operating organization determines any of the following:

a. The account holder has withdrawn funds from the account for a purpose not authorized by subrule 25.6(1), or funds have been withdrawn under false pretenses and have been used for purposes other than for the approved purposes indicated at the time of the withdrawal.

b. There has been no activity in the IDA during the preceding 12 months.

c. The account holder has not complied with the terms of an IDA participation agreement between the account holder and the operating organization, after being provided notice of the requirement to comply with the agreement by the operating organization.

[ARC 6101C, IAB 12/29/21, effective 2/2/22]