

633F.11 Exemption of third person from liability.

1. A third person in good faith and without a court order may act on instructions of, or otherwise deal with, a person purporting to make a transfer as, or purporting to act in the capacity of, a custodial trustee.

2. A third person who receives instructions from the purported custodial trustee may require such custodial trustee to provide proof of their identity and a certification of trust or copies of those excerpts from the original trust instrument and amendments to the original trust instrument which designate the currently acting custodial trustee and confer upon the custodial trustee the power to act in the pending transaction.

3. If a certification of trust is provided, it must do all of the following:

a. State the names of all the currently acting trustees.
b. If there is more than one currently acting trustee, state whether the trustees may act individually or must act by majority decision or must act by unanimous decision.
c. State that the trust has not been revoked, modified, or amended in any manner that would cause the representations in the certification of trust to be incorrect.

d. Be signed by a currently acting trustee or the attorney of a currently acting trustee.

e. Be dated and certified under penalty of perjury and pursuant to the laws of the state of Iowa that it is true and correct, or subscribed and sworn to under penalty of perjury before a notary public as provided in [chapter 9B](#).

f. A third person who acts in reliance upon the information provided by the custodial trustee, after taking reasonable steps to verify the identity of the custodial trustee and without knowledge that the representations contained in the certification are incorrect, is not liable to any person for so acting and may assume without inquiry the existence of the facts contained in the certification. The period of time to verify the identity of the trustee shall not exceed ten business days from the date the third person received the requested information. Knowledge shall not be inferred solely from the fact that a copy of all or part of the trust instrument is held by the third person relying upon the trust certification. A transaction, and a lien created by a transaction, entered into by the custodial trustee and a person acting in reliance upon a certification of trust is enforceable against the trust assets.

4. A third person who makes a demand for information from the custodial trustee beyond that set forth in [subsection 2](#) shall be liable for damages, including attorney fees, incurred as a result of the refusal to accept the information provided, if the court determines that the third person acted unreasonably in requesting such additional information.

5. If a custodial trustee has provided the information set forth in [subsection 2](#), and the third person refuses to follow the instructions provided by the custodial trustee within the time period set forth in [subsection 4](#), the custodial trustee may bring an action under [this subsection](#) and the court may award any or all of the following to the custodial trustee:

a. Any damages sustained by the trust.

b. The costs of the action.

c. A penalty in an amount of not less than five hundred dollars and not more than ten thousand dollars.

d. Reasonable attorney fees, based on the value of the time reasonably expended by the attorney and not on the amount of the recovery on behalf of the custodial trustee.

6. An action shall not be brought under [subsection 5](#) more than one year after the date of the occurrence of the alleged violation.

[2021 Acts, ch 8, §11](#); [2022 Acts, ch 1021, §166](#)

Subsection 6 amended