

Article 5.

Rights of Power Holder's Creditors in Appointive Property.

§ 31D-5-501. Creditor claim; general power created by power holder.

(a) In this section, "power of appointment created by the power holder" includes a power of appointment created in a transfer by another person to the extent the power holder contributed value to the transfer.

(b) Appointive property subject to a general power of appointment created by the power holder is subject to a claim of a creditor of the power holder or of the power holder's estate to the extent provided in the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the General Statutes.

(c) Subject to subsection (b) of this section, appointive property subject to a general power of appointment created by the power holder is not subject to a claim of a creditor of the power holder or the power holder's estate to the extent the power holder irrevocably appointed the property in favor of a person other than the power holder or the power holder's estate.

(d) Subject to subsections (b) and (c) of this section, and notwithstanding the presence of a spendthrift provision or whether the claim arose before or after the creation of the power of appointment, appointive property subject to a general power of appointment created by the power holder is subject to a claim of a creditor of:

- (1) The power holder, to the same extent as if the power holder owned the appointive property, if the power is presently exercisable.
- (2) The power holder's estate, to the extent that the estate is insufficient to satisfy the claim and subject to the right of a decedent to direct the source from which liabilities are paid, if the power is exercisable at the power holder's death. (2015-205, s. 3(a).)