

§ 53-407. Authority to act as disbursing agent.

If a purchasing trust institution acts under a written agency contract that (i) is approved by the Commissioner; (ii) specifically names each creditor and the amount to be paid each; and (iii) limits the agency to the purely ministerial act of paying creditors the amounts due them as determined by the selling institution and does not involve discretionary duties or authority other than the identification of the creditors named, then the purchasing trust institution:

- (1) May rely on the contract of agency and the instructions included in it; and
- (2) Is not responsible for:
 - a. Any error made by the selling institution in determining its liabilities, the creditors to whom the liabilities are due, or the amounts due the creditors; or
 - b. Any preference that results from the payments made under the contract of agency and the instructions included in it. (2001-263, s. 1.)