Dear Mr. Lisman:

On behalf of America’s credit unions and their 115 million members, I am writing to request a change to Uniform Commercial Code Article 4A to permit electronic signatures on wire transfer documents.

Credit unions are committed to continuing to serve their members throughout the COVID-19 pandemic in a safe and sound manner that protects employees and members by complying with federal and state health and safety guidance. This has resulted in a technological shift away from in-person service of credit union members to electronic service as a result of stay-at-home orders and mandated social distancing.

One result of this technological shift is an inability of credit union members to provide a live signature for wire transfer requests where the credit union did not already have a signed wire transfer agreement in place. In addition, because the wire transfer, in most cases, is needed almost immediately, there is not sufficient time to transmit a signed form through the mail. The Uniform Commercial Code Article 4A for fund transfers does not permit electronic signatures on wire transfer agreements and/or wire transfer request forms. Furthermore, the federal E-Sign Act and state Uniform Electronic Transactions Act laws do not apply to UCC Article 4A. Thus, credit unions are left with several poor options: an inability to serve their members or taking on the liability in the case of incorrect wiring instructions.

The Uniform Commercial Code has been modified by many states to allow electronic signatures for Article 9 Secured Transactions as well as Article 4, Section 403 for stop payment requests, which replaced the terms “sign” with “authenticate,” or “writing” with “record.” We ask that a similar modification be made to the terminology of Article 4A to allow some flexibility for credit unions to continue supporting members with wire requests where a live signature cannot be obtained.

Thank you for your consideration of this issue.

Sincerely,

Jim Nussle
President & CEO