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April 8, 2024

Timothy J. Berg
President
Uniform Law Commission
111 N. Wabash Avenue, Suite 1010
Chicago, IL 60602

Via Electronic Mail

Re: Uniform Special Deposits Act

Dear President Berg:

I am pleased to inform you that the Board of Regents of the American College of Commercial Finance Lawyers ("ACCFL") unanimously voted at its meeting on April 5, 2024, to endorse the Uniform Special Deposits Act (the "Act") promulgated by the Uniform Law Commission ("ULC") in July of last year. We appreciate the ULC's efforts in developing this uniform state law which brings greater legal certainty to special deposits, a type of deposit account that is established for a special purpose and is used to protect deposits until a contingent event occurs.

We recognize the great value the Act offers to our economy. We understand that the Act will supplement the common law protections currently afforded these special deposit accounts with a clearly articulated set of statutory rights and obligations. By establishing clear legal protections for these deposits, the Act protects the fulfillment of the expectations of the parties to the transaction and the secure payment of funds to the intended party.

Inasmuch as the Act is a purely opt-in bank product which can be implemented only if the bank and its customer agree in writing that the Act applies to their special deposit arrangement, the Act will not interfere with other types of account relationships used by financial institutions today, such as general deposit accounts and escrow accounts, but will offer those institutions another option for use with customers if the conditions giving rise to a special deposit are met.

The ACCFL is pleased to offer its support for the Uniform Special Deposits Act. We commend the ULC's efforts to promote enactment of uniform state laws as this work holds significant value in the evolving financial landscape.

Sincerely,

A handwritten signature in blue ink, appearing to be "Neal J. Kling", written in a cursive style.

Neal J. Kling, President

cc: Patrick A. Guida, Chair of the Uniform Special Deposits Act Drafting Committee
Thomas C. Baxter, Jr., Co-reporter Michael Wiseman, Co-reporter