

# SENATE BILL No. 1291

April 27, 2010, Introduced by Senators NOFS, RICHARDVILLE, THOMAS, SANBORN and WHITMER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 2003 PA 215, entitled  
"Credit union act,"  
by amending section 102 (MCL 490.102), as amended by 2004 PA 471.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 102. As used in this act:

2       (a) "Affiliate" means a person, other than an individual or  
3 governmental entity, to which any of the following apply:

4       (i) A credit union directly or indirectly owns or controls a  
5 majority of the person's voting shares or other voting ownership  
6 interests.

7       (ii) A credit union directly or indirectly owns or controls  
8 more than 50% of the number of shares or other ownership interests

1 voted at the most recent election for the election of its  
2 directors, trustees, or other individuals who exercise similar  
3 functions.

4 (iii) A credit union has the power to directly or indirectly  
5 elect a majority of the person's directors, trustees, or other  
6 individuals who exercise similar functions.

7 (iv) A majority of a credit union board constitutes a majority  
8 of the directors, trustees, or other persons exercising similar  
9 functions of the person.

10 (b) "Alien credit union" means a credit union organized under  
11 the laws of a country other than the United States.

12 (c) "Bank" means a bank that is organized under the laws of  
13 this state, any other state, the District of Columbia, or a  
14 territory or protectorate of the United States, or a national  
15 banking association chartered by the federal government under the  
16 national bank act, chapter 106, 13 Stat. 99, and whose deposits are  
17 insured by an agency of the federal government.

18 (d) "Borrower" means a member who obtains a loan from a  
19 domestic credit union.

20 (e) "Branch" means a place of business, other than the  
21 principal place of business, that is owned or leased by a credit  
22 union and where the credit union transacts business authorized by  
23 the credit union board.

24 (f) "Commissioner" means the commissioner of the office of  
25 financial and insurance ~~services~~ **REGULATION** in the department of  
26 **ENERGY**, labor, and economic growth.

27 (g) "Corporate credit union" means a credit union whose field

1 of membership consists primarily of other credit unions.

2 (h) "Credit union" means a domestic or foreign credit union.

3 (i) "Credit union board" means a board of directors, board of  
4 trustees, or other governing body of a credit union.

5 (j) "Credit union service organization" means a corporation or  
6 other organization that is engaged primarily in providing 1 or more  
7 of the products or services described in section 407 to credit  
8 unions or their members and that a domestic credit union may  
9 organize, invest in, or lend to under section 401(2)(gg).

10 (k) "Debt management" means ~~that term as defined in section 2~~  
11 ~~of the debt management act, 1975 PA 148, MCL 451.412~~ **THE PLANNING**  
12 **AND MANAGEMENT OF THE FINANCIAL AFFAIRS OF A DEBTOR AND THE RECEIPT**  
13 **OF MONEY FROM THE DEBTOR FOR DISTRIBUTION TO A CREDITOR IN PAYMENT**  
14 **OR PARTIAL PAYMENT OF THE DEBTOR'S OBLIGATIONS.**

15 (l) "Domestic credit union" means a cooperative, nonprofit  
16 entity organized under this act for the purposes of encouraging  
17 thrift among its members, providing a variety of financial services  
18 to its members, and providing an opportunity for its members to use  
19 and control their own money on a democratic basis in order to  
20 improve their economic and social condition.

21 (m) "Eligibility record date" means a record date that is 1  
22 year or more before the adoption of a plan of conversion by a  
23 credit union board and is set forth in a plan of conversion for  
24 determining eligible members of a converting credit union.

25 (n) "Emergency" means a condition, event, or occurrence that  
26 meets both of the following:

27 (i) It has or may interfere with the conduct of normal business

1 operations, or poses an imminent or existing threat to the safety  
2 and security of a person or property, at the principal place of  
3 business or 1 or more branches of a credit union.

4 (ii) It is the result of a fire, flood, earthquake, hurricane,  
5 tornado, wind, rain, snowstorm, labor dispute or strike, power  
6 failure, transportation failure, fuel shortage, interruption of a  
7 communication facility, shortage of housing, epidemic or other  
8 natural or manmade catastrophe, riot, civil commotion, or any other  
9 act of lawlessness or violence.

10 (o) "Federal credit union" means a credit union organized  
11 under the laws of the United States.

12 (p) "Field of membership" means that term as established under  
13 section 352.

14 (q) "Financial institution" means a credit union, bank,  
15 savings bank, or savings and loan association.

16 (r) "Foreign credit union" means a credit union organized  
17 under the laws of another state or territory of the United States  
18 or a federal credit union.

19 (s) "Insolvent" means a credit union that meets either of the  
20 following:

21 (i) It is not able to pay its debts and other obligations,  
22 including those related to member shares, as they become due.

23 (ii) Its liabilities exceed its assets.

24 Enacting section 1. This amendatory act takes effect 12 months  
25 after the date it is enacted into law.

26 Enacting section 2. This amendatory act does not take effect  
27 unless Senate Bill No. 1288

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of the 95th Legislature is enacted into law.