

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

PART 4
INVOLUNTARY MERGERS OR SALES

490.251 Merger or sale; determination by commissioner; order; “distressed credit union” defined.

Sec. 251. (1) The commissioner may order the merger or sale of a domestic credit union under this section if the commissioner determines that all of the following are met:

(a) The domestic credit union is in danger of insolvency, in an unsafe or unsound condition, or in danger of becoming in an unsafe or unsound condition.

(b) That expeditious action is required by the commissioner to deal with a condition described in subdivision (a).

(c) That other actions available to the commissioner under this act are not reasonably available to the commissioner with respect to the credit union described in subdivision (a).

(2) The commissioner may initiate and order an involuntary merger of a distressed credit union with another credit union if both of the following are met:

(a) The other credit union agrees to a merger.

(b) If the other credit union is a foreign credit union, it is authorized to complete the merger under any state or federal law applicable to it.

(3) The commissioner may initiate and order an involuntary merger of a distressed credit union with a financial institution other than a credit union if all of the following are met:

(a) The commissioner is unable to complete an involuntary merger under subsection (2).

(b) The other financial institution agrees to a merger.

(c) The other financial institution is authorized to complete the merger under any state or federal law applicable to it.

(4) As used in this section, "distressed credit union" means a domestic credit union that the commissioner determines is insolvent, in danger of insolvency, in an unsafe or unsound condition, or in danger of becoming in an unsafe or unsound condition under subsection (1).

History: 2003, Act 215, Eff. June 1, 2004.