

## Chapter 490

### CREDIT UNIONS

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#### Act 285 of 1925

490.1-490.31 Repealed. 1968, Act 41, Eff. Nov. 15, 1968;—1986, Act 278, Imd. Eff. Dec. 19, 1986;—2003, Act 215, Eff. June 1, 2004.

### CREDIT UNION MULTIPLE-PARTY ACCOUNTS

#### Act 41 of 1968

AN ACT to regulate credit union multiple-party accounts; and to repeal certain acts and parts of acts.

*The People of the State of Michigan enact:*

#### **490.51 Credit unions; multiple-party accounts; definitions.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.52 Presumptions of ownership; credit unions liability and set-off rights.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.53 Deposit or shares paid on demand.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.54 Equal undivided interests.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.55 Death of party; effect.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.56 Survivorship account; death of party, ownership.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.57 Trust account; beneficial ownership; death of trustee; survivorship.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.58 Bases of presumptions; evidence to rebut; wills.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.59 Effect of un rebutted presumptions; transfers, effect.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.60 Multiple-party accounts; authority to enter; payment; inquiry; creation; joint tenant, rights.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.61 Multiple-party accounts; withdrawals; survivorship accounts, proof of death.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.62 Trust accounts; payments.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.63 Payments; effect; notice of change.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.64 Right to set-off or lien.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### **490.65 Repeal.**

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

## BENEFICIARY ACCOUNTS IN CREDIT UNIONS

### Act 31 of 1992

AN ACT to provide for beneficiary accounts in credit unions; to allow for the passage of title to the named beneficiary; and to prescribe the powers and duties of the credit union.

*The People of the State of Michigan enact:*

#### 490.81 Definitions.

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### 490.82 Credit union beneficiary account; rights of owners to money in account; passage of ownership rights to beneficiaries.

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

#### 490.83 Applicability of act.

**Compiler's Notes:** <Paragraph><P>For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.</P></Paragraph>

## CREDIT UNION ACT

### Act 215 of 2003

AN ACT to provide for the organization, operation, regulation, and supervision of credit unions; to prescribe the powers and duties of credit unions; to prescribe the powers and duties of certain state agencies and officials; to create the credit union regulatory fund; to prescribe penalties, civil sanctions, and remedies; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

#### Article 1

#### GENERAL PROVISIONS

**490.101 Short title.**

**490.102 Definitions; A to I.**

**490.103 Definitions; M to S.**

**490.104 "Credit union"; use in name or title; restrictions; "corporate" or "corporate central"; use in name.**

**490.105 Domestic credit union; exemption from tax; exception; stock transfer tax.**

Article 2  
SUPERVISION BY COMMISSIONER  
Part 1  
ADMINISTRATION, SUPERVISION, AND ENFORCEMENT

**490.201 Administration and supervision by director; annual operating fee; limitation; report filed by domestic credit union; delinquent fee; waiver; amendment to bylaws or certificate of organization; examination of accounts, books, and records; "records" defined.**

**490.202 Fee, fine, or other money received or collected by director; disposition; establishment of credit union regulatory fund.**

**490.203 Office of financial and insurance services; hearing or proceeding; document retention; order or ruling.**

**490.204 Immunity.**

**490.205 Disclosure of information.**

**490.206 Rules; orders; declaratory rulings.**

**490.207 Examination by director; conduct; report; document, material, or information; confidentiality; disclosure; demand for production; request for discovery or disclosure; judicial review; appeal; best practices or other improvements; guidance to promote consistency and due process.**

**490.208 Application for additional powers by domestic credit unions.**

**490.209 Issuance of subpoena by circuit court.**

**490.210 Notice of charges; issuance and service; statement of facts; hearing; issuance of cease and desist order; enforcement; violation by foreign or federal credit union.**

**490.211 Temporary cease and desist order; conditions; injunction for setting aside order.**

**490.212 Notice of intention to remove person from office or to prohibit participation in conduct of affairs; conditions; hearing; order; issuance; basis; enforcement.**

**490.213 Stay of suspension or prohibition.**

**490.214 Individual charged with crime involving dishonesty or breach of trust; suspension from office or prohibition from participation in conduct of affairs; finding of not guilty or other disposition.**

**490.215 Administrative hearing.**

**490.216 Enforcement of notice or order; court jurisdiction.**

**490.217 Person subject to notice or order for violation of law; prohibited conduct; violation as misdemeanor; penalty.**

**490.218 Report from domestic credit union; requirements; notice; failure of domestic credit union to report by deadline; fine.**

**490.219 Delivery of order or written notice; methods.**

**490.220 Civil fine; assessment; limitation; commencement of action by attorney general; determination of amount of fine; conduct of administrative hearing.**

**490.221 Closure of principal place of business or branch; existence of emergency or legal holiday.**

Part 2  
RECEIVERS

**490.231 Liquidation; appointment of federal agency as receiver.**

**490.232 Appointment of receiver; conditions; proceeding; bond; reporting schedule; subrogation of federal agency to rights of deposit owners.**

**490.233 Receiver; duties; powers.**

**490.234 Voidable transfer or lien; person knowingly implementing voidable transfer or lien; personal liability; prohibitions to voiding otherwise voidable transfer; "preference" defined.**

**490.235 Disposal of obsolete and unnecessary records; maintenance methods; reservation, deposit, and use of assets.**

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CONSERVATORSHIPS

**490.241 Appointment of conservator; grounds; bond and security; qualifications; payment of administrative expenses.**

**490.242 Possession of books, records, and assets; rights of parties; discharge of real estate mortgage.**

**490.243 Withdrawal by members and depositors and payment to other creditors; availability of amounts; receipt of shares and deposits; actions; return of control to credit union board; notice.**

**490.244 Authority of commissioner to borrow money; conditions; secured loans.**

**490.245 Termination of conservatorship; determination by commissioner; resumption of business transactions by domestic credit union; appointment of receiver; liquidation.**

Part 4  
INVOLUNTARY MERGERS OR SALES

**490.251 Merger or sale; determination by commissioner; order; "distressed credit union" defined.**

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Part 1  
FORMATION AND OPERATION

**490.301 Domestic credit union; membership; organization; approval by commissioner; notice; disapproval; request to reconsider; hearing; appeal; retention by commissioner of original certificate of organization and bylaws; delivery; form.**

**490.302 Organization of credit union by 2 or more credit unions.**

**490.303 Amendment to certificate of organization or bylaws.**

**490.304 Principal place of business; notice of change in location; establishment and maintenance of branches; service centers; assumed names.**

**490.305 Books and records; availability; court order.**

**490.306 Conducting business by mail or electronic communication.**

**490.307 Repealed. 2005, Act 194, Imd. Eff. Nov. 7, 2005.**

**Compiler's Notes:** <Paragraph><P>The repealed section pertained to filing of a suspicious activity report by a domestic credit union with a federal agency.</P></Paragraph>

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DISSOLUTION

**490.331 Voluntary or involuntary dissolution.**

Part 3  
OFFICER, OFFICIALS, AND DIRECTORS

**490.341 Organizational meeting; annual meeting; membership; committees; qualifications; notice of meeting; removal; vacancy.**

**490.342 Credit union board; election of officers; general management; duties; delegation to general manager or chief executive officer of domestic credit union; compensation; removal of board member or committee member with delinquent loan; meetings; associate board members; quorum; action taken without meeting; consent; oath.**

**490.343 Suspension or removal of members; majority of remaining members as quorum; appointment of temporary members.**

**490.344 Audits.**

**490.345 Supervisory committee; duties; vacancies.**

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**490.351 Annual meeting; special meeting; voting; removal of member.**

**490.352 Domestic credit union; membership; composition; field of membership; application; approval by commissioner; revision; extension.**

**490.353 Membership; conditions.**

**490.354 Acceptance of trust as member; conditions.**

**490.355 Designation as inactive account.**

**490.356 Minor; deposit, investment, or withdrawal.**

**490.357 Suspension of services or termination or withdrawal of membership.**

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CAPITAL

**490.361 Capital; share payments; entrance fee; secondary capital; liability of member for acts, debts, or obligations of domestic credit union; placement of lien on member account.**

**490.362 Dividend; declaration; payment; rate; amount.**

**490.363 Payment to general administrator or executor of deceased out-of-state resident.**

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**490.371 Credit unions; merger.**

**490.372 Conversion of domestic credit union into foreign credit union.**

**490.373 Conversion of domestic credit union into mutual savings bank or mutual savings association.**

**490.374 Conversion of domestic credit union into bank, stock savings bank, or stock savings and loan association.**

**490.375 Rights, obligations, relationships, and trusts of converting credit union.**

**490.376 Conversion of foreign credit union into domestic credit union.**

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**490.381 Disclosure of confidential information.**

**490.382 Fiscal year; accounting principles.**

**490.383 Discharge of duties by officers; standards; indemnification.**

**490.384 Participation in deliberation or board action.**

**490.385 Payment to person claiming interest in account; restrictions.**

**490.386 Establishment and maintenance of reserves.**

**490.387 Insurance of member share and deposit accounts.**

Article 4  
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**490.401 Domestic credit union; powers.**

**490.402 Corporate credit union; additional powers.**

**490.403 Domestic credit union; incidental powers.**

**490.404 Business outside of state.**

**490.405 Pledging domestic credit union assets as collateral security; limitations.**

**490.406 Domestic credit union; powers authorized by credit union board; acquisition of interest in real property; definitions.**

**490.407 Credit union service organizations; organizing, investing, or loaning money; limitations; requirements; definitions.**

**490.408 Automated information processing services.**

**490.409 Insurance programs to members.**

**490.410 Safe deposit department.**

**490.411 Savings promotion raffle; loan promotion raffle; definitions.**

**490.412 Check cashing fees.**

**490.413 Automatic teller machine located on premises of casino, casino enterprise, liquor store, or adult entertainment establishment; preventing access to cash benefits from Michigan bridge card; definitions.**

Part 2  
LOANS

**490.421 Credit committee; powers; meetings; loan officers; appeals of loan rejections; designation of secretary; maintenance of records of activities.**

**490.422 Loan agreement with member or another domestic credit union.**

**490.423 Loan conditions; repayment; rates, terms, or conditions to officials or family member; open-end credit arrangements; joint loans; guaranteed federal or state loan program; reduced rate loans and extensions; restriction; additional security.**

**490.424 Property and casualty insurance as condition to mortgage loan.**

Part 3  
INVESTMENTS

**490.431 Investment of funds not used in member loans; limitations; maintenance of files; plan for divestiture of investment.**

**490.432 Purchase, sale, or pledge of member obligation.**

Article 5  
FOREIGN CREDIT UNIONS

**490.501 Conduct of business by foreign credit union.**

**490.502 Violations by foreign credit union.**

Article 6  
REPEAL OF PREDECESSOR ACT

**490.601 Repeal of MCL 490.1 to 490.31.**