

**SALE OF CHECKS ACT (EXCERPT)**  
**Act 136 of 1960**

**487.907 License; application; financial statements; surety bond or letter of credit; fee.**

Sec. 7. (1) Each application for a license shall be accompanied by both of the following:

(a) Financial statements, reasonably satisfactory to the commissioner, showing that the applicant's net worth exceeds \$100,000.00.

(b) A surety bond issued by a bonding company or insurance company authorized to do business in this state, or an irrevocable letter of credit upon which the applicant is the obligor, which expires no earlier than the date the license expires, and which is issued by a state or federal bank, credit union, or savings and loan association insured by an agency of the federal government. The terms of the letter of credit shall be approved by the commissioner.

(c) An application fee as provided in section 14. The fee is not refundable.

(2) The bond or letter of credit shall be in the principal sum of \$100,000.00 and in an additional principal sum of \$3,000.00 for each office and for each agency of the applicant in this state at which the business is to be conducted, but in no event shall the bond or letter of credit be required to be in excess of \$250,000.00.

(3) If the bond or letter of credit accompanying the application is in a principal sum of less than \$250,000.00, the application shall be accompanied by a list of the locations, including agencies, at which the business is to be conducted.

(4) The bond or letter of credit shall be in form satisfactory to the commissioner and run to the commissioner for the benefit of any Michigan residents who, through purchase of checks from the applicant or its agents located in Michigan, are creditors of or claimants against the applicant or its agents to secure the faithful performance of the obligations of the applicant and the agents of the applicant with respect to the receipt of money in connection with the sale or issuance of checks.

(5) The aggregate liability of the surety in no event shall exceed the principal sum of the bond or letter of credit.

**History:** 1960, Act 136, Eff. Jan. 1, 1961;—Am. 1986, Act 275, Imd. Eff. Dec. 19, 1986;—Am. 1988, Act 41, Imd. Eff. Mar. 10, 1988;—Am. 1992, Act 73, Imd. Eff. June 2, 1992.

**Compiler's note:** 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 § 445.2003 of the Michigan compiled laws.