

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

***** 490.102.amended THIS AMENDED SECTION IS EFFECTIVE SEPTEMBER 7, 2016 *****

490.102.amended Definitions; A to I.

Sec. 102. As used in this act:

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

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

(ii) A credit union directly or indirectly owns or controls more than 50% of the number of shares or other ownership interests voted at the most recent election for the election of its directors, trustees, or other individuals who exercise similar functions.

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

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

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

(c) "Associate board member" means an individual appointed by a credit union board to the position described in section 342(10).

(d) "Bank" means a bank that is organized under the laws of this state, any other state, the District of Columbia, or a territory or protectorate of the United States, or a national banking association chartered by the federal government under the national bank act, 12 USC 21 to 216d, and whose deposits are insured by an agency of the federal government.

(e) "Board member" means a member of a board of directors, board of trustees, or similar governing body of an organization. In connection with a credit union board, the term does not include an associate board member.

(f) "Borrower" means a member who obtains a loan from a credit union.

(g) "Branch" means, except as otherwise provided in this subdivision, an office or other place of business at which a credit union receives deposits, pays checks, or lends money. Branch does not include any of the following:

(i) An elementary, middle, or high school at which an employee or agent of a credit union only accepts deposits.

(ii) An electronic funds transfer facility that is made available to 2 or more depository institutions under 1978 PA 322, MCL 488.1 to 488.31.

(iii) A loan production office of a credit union.

(iv) A mobile office. As used in this subparagraph, "mobile office" means a credit union office or facility that does not have a permanent location and is designed to be moveable from place to place.

(h) "Commissioner" means the director.

(i) "Corporate credit union" means a credit union whose field of membership consists primarily of other credit unions.

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

(k) "Credit union board" means a board of directors, board of trustees, or other governing body of a credit union. A credit union board does not include associate board members.

(l) "Credit union service organization" means a corporation or other legal entity that is engaged primarily in providing 1 or more of the products or services described in section 407 to credit unions or their members, that a domestic credit union may organize, invest in, or lend to under section 401(2)(gg), and that may or may not be controlled by 1 or more credit unions.

(m) "Debt management" means that term as defined in section 2 of the debt management act, 1975 PA 148, MCL 451.412.

(n) "Department" means the department of insurance and financial services.

(o) "Director" means the director of the department.

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

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

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

(i) It has or may interfere with the conduct of normal business operations, or poses an imminent or existing threat to the safety and security of a person or property, at the principal place of business or 1 or more branches of a credit union.

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

(s) "Federal credit union" means a credit union that is organized under the laws of the United States.

(t) "Field of membership" means that term as established under section 352.

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

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

(w) "Insolvent" means a credit union that meets either of the following:

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

(ii) Its liabilities exceed its assets.

History: 2003, Act 215, Eff. June 1, 2004;—Am. 2004, Act 471, Imd. Eff. Dec. 28, 2004;—Am. 2016, Act 152, Eff. Sept. 7, 2016.