

SAVINGS AND LOAN ACT OF 1980 (EXCERPT)
Act 307 of 1980

491.1002 Report on violation or detrimental condition; directing discontinuance of violation; ordering correction of detrimental condition; appointment and duties of conservator; proceedings by attorney general; preparation and filing of report; return of association to board; liquidation and dissolution.

Sec. 1002. (1) If the supervisor, as a result of an examination or from a report made to the supervisor, finds that an association appears to be violating the association's articles of incorporation or bylaws, or the laws of this state or of the United States, or a rule promulgated or order issued by the supervisor, or that the association's financial stability is impaired as a result of the association's conducting business in an unsafe, unsound, or illegal manner, the supervisor shall state by a formal written report to the board of the association any alleged violation or detrimental condition considered to exist, and may direct discontinuance of a violation or order the correction of the detrimental condition.

(2) If the board fails to correct the impaired financial stability, the supervisor may immediately appoint an individual as conservator for the association and order the conservator to take possession of all books, records, and assets of every description of the association and hold and retain possession pending further proceedings as specified in this act. If the board, secretary, or person in charge of the association refuses to permit the conservator to take possession, the supervisor shall communicate this fact to the attorney general, who shall immediately institute proceedings to place the conservator in possession of the property of the association. Upon taking possession of the effects of the association, the conservator shall prepare a full and true statement of the affairs and conditions of the association, including an itemized statement of the association's assets and liabilities, and shall file the report with the supervisor. The conservator shall endeavor promptly to remedy the situations complained of by the supervisor. Within 6 months after the date of the appointment of the conservator, or within any other length of time as directed by the supervisor, the association shall be returned to its board and thereafter shall be managed and operated as if a conservator had not been appointed. If the situation complained of has not been remedied, the supervisor shall proceed pursuant to this act toward liquidation and dissolution of the association.

History: 1980, Act 307, Eff. Jan. 1, 1981.