

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

**491.312 Surety bond; notice of payments from organizational expense fund; approval of payments; repayment of contributions and approved payments; repayment in case of liquidation; account of disbursements; restoration of improper expenditures.**

Sec. 312. Within 30 days after commencement of corporate existence, or within a longer time not to exceed 1 year as approved by the supervisor, the initial directors of an association shall secure a surety bond, in a form and from a surety company acceptable to the supervisor, bonding the officers of the association in an amount at least equal to the amount of minimum established savings accounts or stock subscriptions plus the organizational expense fund. Notice shall be provided to the supervisor by the treasurer of the association when all payments have been received and a detailed record shall be maintained showing the recipients, the amounts received, and the purpose for payment of all payments made from the organizational expense fund. An organization expense shall not be paid out of any other funds of the association without prior approval by the supervisor of a written request to make the payments. Contributions to the organizational expense fund and approved payments made to defray organization expenses in excess of the fund may be repaid pro rata from the net earnings of an association, after provision for all reserves and payment of interest on savings accounts, over a period of time approved by the supervisor. In case of the liquidation of an association before contributions to the organizational expense fund have been repaid, any contributions remaining unexpended after the payment of expenses of liquidation, all creditors, and the withdrawal value of all savings accounts, shall be repaid to the contributors pro rata. The supervisor may require an account of disbursements from the organizational expense fund, and may order restoration of amounts expended for improper purposes.

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