

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

491.508 Segregation of assets held in fiduciary capacity; books and records; keeping trust department business separate and distinct; commingling, consolidating, and depositing funds held in trust; liquidation of association or appointment of receiver or conservator; lien on securities.

Sec. 508. An association exercising trust powers under this act shall segregate all assets held in a fiduciary capacity from the general assets of the association, shall keep a separate set of books and records showing in proper detail all transactions engaged in under its trust powers, and shall keep its trust department business separate and distinct from other business operations. Funds held in trust by an association awaiting investment or other disposition may be commingled and consolidated, and may be deposited in a financial institution not affiliated with the association as designated by the association's board, or may be held by the association under a deposit relationship and used by the association in the conduct of the association's business but only to the extent and when the association sets aside for the protection of the owners of the funds, obligations of the United States, obligations that are fully guaranteed as to principal and interest by the United States, general obligations of this state or of a political subdivision of this state, or other securities approved by the supervisor equal in face amount to the amount of funds held and so used by the association, less the amounts of the funds which are insured by the federal savings and loan insurance corporation or the federal deposit insurance corporation. In the event of a liquidation of the association or the appointment of a receiver or conservator for the assets of the association, the owners of funds held in trust awaiting investment or other disposition shall have a lien on those securities set apart, in addition to any other claim against the association.

History: Add. 1981, Act 114, Imd. Eff. July 17, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987.