

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

**491.606 Types of savings accounts; contract for issuance; transaction charges.**

Sec. 606. An association or a federal association may contract for the issuance of the following types of savings accounts, which may be subject to the transaction charges as the association's board prescribes:

(a) Accounts under which the association is trustee or custodian within the contemplation of the self-employed individuals tax retirement act of 1962, Public Law 87-792, 76 Stat. 809, and the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829, and as trustee, custodian, or manager of an investment fund the authorized investments of which includes, savings accounts or real estate loans, and the beneficial interests which may be represented by transferable shares or certificates. An association exercising the limited trust powers provided in this subdivision shall keep separate books and records of the detailed transactions made for each distinct investment fund held in a fiduciary capacity and for each beneficial owner's interest in the fund, and may commingle the investment funds held in a fiduciary capacity for purposes of investment. A fund held in a fiduciary capacity shall not be used by an association in the conduct of its business, although the funds may be invested in savings accounts of the association if the trust, plan, or other governing instrument does not prohibit that investment. In the exercise of the trust powers authorized by this subdivision, an association shall be exempt from all other statutes of this state regulating trusts or trustees.

(b) Accounts for issuance to federal, state, political subdivision, other governmental units or agencies, school districts, or other authorities created by statute in connection with the deposit of public or state money or federal taxes. Depositors of public or state money or federal taxes shall not be considered members of an association. An association or federal association may contract with the depositor of public or state money or federal taxes to provide for the withdrawal of public or state money or federal taxes without previous notice of withdrawal. An association or federal association, with the written consent of the supervisor or under rules promulgated by the supervisor, may pledge its assets in an amount not to exceed 10% of the association's savings liability to secure deposits by or for the credit of any of the following:

(i) The United States or any officer, instrumentality, or agency of the United States.

(ii) The courts of the United States or any trustee or receiver acting under authority granted by the courts of the United States.

(iii) The state treasurer.

(iv) The Mackinac bridge authority under 1950 (Ex Sess) PA 21, MCL 254.301 to 254.304.

(v) The international bridge authority under 1954 PA 99, MCL 254.221 to 254.240.

(vi) The Michigan state housing development authority under the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

(vii) The Michigan employment security commission.

(viii) Funds belonging to any political subdivision of this state.

(c) Accounts under which the association may participate and implement a thrift or savings plan at a public or nonpublic elementary or secondary school or institution of higher education, a public or charitable institution caring for minors, or an institution or facility engaged in housing or caring for the aged or infirm. An association may accept deposits to the savings accounts at the site of a school, institution, or facility either by the association's own employees or by a representative of the school, institution, or facility who is designated as the association's agent for that purpose, without prior approval by the supervisor.

(d) Accounts of the classification, in the form, and under the terms and conditions as may be established, and which may provide for the transfer of funds from the account to third parties upon order or authorization, which third party transfer orders or authorizations shall be nonnegotiable. An association may provide that an order or authorization for withdrawal or transfer of funds from an account to third parties may be negotiable or transferable.

**History:** 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1981, Act 114, Imd. Eff. July 17, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987;—Am. 1997, Act 51, Imd. Eff. June 30, 1997.