

Act No. 89
Public Acts of 1993
Approved by the Governor
July 09, 1993
Filed with the Secretary of State
July 09, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Senator Gougeon

ENROLLED SENATE BILL No. 641

AN ACT to amend sections 112, 500, 520, and 522 of Act No. 307 of the Public Acts of 1980, entitled "An act to revise and codify the laws relating to savings and loan associations; to provide for the incorporation, regulation, supervision, and internal administration of associations; to prescribe the rights, powers, and immunities of associations; to provide for voluntary and involuntary changes in the corporate structure of associations; to prescribe the powers, rights, and duties of certain state agencies in relation to associations; to require certain reports and examinations of associations; to prescribe remedies and penalties for violations of this act; and to repeal certain acts and parts of acts," section 500 as amended by Act No. 106 of the Public Acts of 1987, being sections 491.112, 491.500, 491.520, and 491.522 of the Michigan Compiled Laws; and to add sections 131 and 131a.

The People of the State of Michigan enact:

Section 1. Sections 112, 500, 520, and 522 of Act No. 307 of the Public Acts of 1980, section 500 as amended by Act No. 106 of the Public Acts of 1987, being sections 491.112, 491.500, 491.520, and 491.522 of the Michigan Compiled Laws, are amended and sections 131 and 131a are added to read as follows:

Sec. 112. "Branch office" means, except as otherwise provided in this section, an approved place of business of an association, other than its principal office or an agency of an association, at which the association, through its employees, may transact the kind of business that may be conducted at its principal office. The receipt of deposits by a messenger service or the delivery by a messenger service of items representing deposit account withdrawals or of loan proceeds is not the establishment or operation of a branch, whether or not the messenger service is owned or operated by the association.

Sec. 131. "Messenger service" means a service such as a courier service or an armored car service that picks up from or delivers to customers of 1 or more depository institutions or 1 or more affiliates of a depository institution cash, currency, checks, drafts, securities, or other items relating to transactions between or involving a depository institution or affiliate of a depository institution and those customers, or that transfers cash, currency, checks, drafts, securities, or other items or documents between depository institutions or affiliates of depository institutions. The service may be owned and operated by 1 or more depository institutions or affiliates or by a third party. As used in this subdivision, "depository institution" means a state or national chartered bank, a state or federal chartered savings and loan association, a state or federal chartered savings bank, or a state or federal chartered credit union.

Sec. 131a. "Mobile branch" means a branch office in which the location of the physical structure of the branch office is moved from time to time.

Sec. 500. An association organized under this act shall have all of the powers enumerated, authorized, or permitted by this act, and other rights, privileges, and powers as are incidental to those powers or reasonably necessary or appropriate to the accomplishment of the purposes of the association. In addition to those powers specifically enumerated in this act, an association may exercise the following powers:

- (a) To sue and be sued, complain, and defend in any court.
- (b) To acquire, purchase, hold, and convey real and personal property consistent with the association's objects and purposes.
- (c) To mortgage, pledge, or lease any real or personal property for the association's own use.
- (d) To take property by gift, devise, or bequest.
- (e) To have a corporate seal, which may be affixed by imprint, facsimile, or otherwise.
- (f) To appoint officers, agents, and employees as the association's business requires and allow them suitable compensation.
- (g) To provide for life, health, and casualty insurance for officers and employees and adopt and operate reasonable bonus plans and retirement benefits for those officers and employees.
- (h) To become a member of, own stock or investment certificates in, deal with, pay premiums to, or make contributions to any service corporation or safe deposit company.
- (i) To service mortgages and land contracts.
- (j) To originate and service mortgage loans, mortgages, and land contracts on behalf of other financial institutions, corporations, and state or federal agencies or instrumentalities.
- (k) To operate from temporary headquarters or offices if necessary due to enemy attack or natural disaster.
- (l) To act as fiscal agent of the United States or as a treasury tax and loan depository and perform all reasonable duties in those capacities as may be prescribed or required by regulation of the secretary of the treasury of the United States.
- (m) To act as agent for an instrumentality of the United States, for this state, or for an instrumentality of this state.
- (n) To act as escrow agent or depository for other escrow agents or fiduciaries for the holding of money as custodian or in trust for others.
- (o) To be a member of a federal home loan bank or its successor.
- (p) To become a member of a check clearing facility established for the purpose of facilitating the handling of negotiable checks, drafts, or withdrawal orders, and to satisfy any requirements for membership in a clearing facility.
- (q) To invest in financial options to hedge an association's interest risks.
- (r) To perform 1 or more of the following services:
 - (i) Credit analysis, appraising, construction loan inspection, and abstracting.
 - (ii) Research studies and surveys.
 - (iii) Developing and operating storage facilities for microfilm or other duplicate records.
 - (iv) Advertising, brokerage, and other services to procure and retain both savings accounts and loans, but not pooling savings accounts or soliciting or promoting pooled savings accounts.
 - (v) Liquidity management, investment, advisory, and consulting services.
 - (vi) Establishing, owning, leasing, operating, or maintaining remote service units.
 - (vii) Purchasing office supplies, furniture, and equipment.
- (s) Provide 1 or more of the following services:
 - (i) Preparing local, state, and federal tax returns for individuals or organizations that are not corporations operated for profit.
 - (ii) Providing data processing service.
 - (iii) Other activities as the supervisor, by rule, determines to be appropriate.
- (t) To own and operate a messenger service or to own or invest in a corporation that operates a messenger service.

Sec. 520. An association shall be operated from its principal office located in this state. All branch offices, agencies, and other facilities shall be subject to direction from the principal office. An association shall not establish a branch office or agency for transacting business without prior approval of the supervisor. An association may establish and operate a remote service unit in accordance with Act No. 322 of the Public Acts of 1978, without prior approval of the supervisor. Except for a mobile branch, a branch office or agency of an association shall not be moved without approval of the supervisor as provided in section 522.

Sec. 522. (1) Except as otherwise provided in subsection (4), an association shall not establish or relocate a branch office for the transaction of business without application to and approval by the supervisor. Within 10 days after acceptance of an application for permission to establish a branch office, the supervisor shall send written notice of the application by mail to the principal office of each association and federal association. The supervisor shall make an independent examination or investigation of each branch application, and in furtherance of the investigation, may cause oral argument to be heard concerning the application within 60 days after receipt of an application. The conduct of the oral argument shall conform to rules promulgated by the supervisor and shall not be subject to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(2) If it appears that the proposed branch office has a reasonable probability of success and that the net worth of the association is adequate with respect to the general operating policies and financial condition of the association, the supervisor shall approve and file the application with the date of filing indorsed on the application and shall announce a decision concerning the application within 90 days after acceptance of the application. The supervisor also shall file in the supervisor's office a written memorandum stating the reasons supporting the decision, which memorandum shall be available for public inspection pursuant to the freedom of information act, Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(3) If the branch office authorized is not established within 6 months after the date authority is granted, the approval shall be revoked automatically unless a written request for an extension is made to the supervisor not less than 10 days before termination of the 6-month period and the supervisor grants the extension.

(4) An application to establish a mobile branch shall contain a statement by the applying association that it intends to move the location of the physical structure of the branch office from time to time. A branch office established pursuant to this subsection shall be considered a mobile branch from the date the application is approved by the supervisor. The supervisor shall not require advance notice of or a schedule showing the location of a mobile branch.

This act is ordered to take immediate effect.

Secretary of the Senate.

Co-Clerk of the House of Representatives.

Approved -----

Governor.