



SENATE BILL No. 641

May 12, 1993, Introduced by Senator GOUGEON and referred
to the Committee on Corporations and Economic Development.

A bill to amend sections 520 and 522 of Act No. 307 of the
Public Acts of 1980, entitled
"Savings and loan act of 1980,"
being sections 491.520 and 491.522 of the Michigan Compiled
Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Section 1. Sections 520 and 522 of Act No. 307 of the
Public Acts of 1980, being sections 491.520 and 491.522 of the
Michigan Compiled Laws, are amended to read as follows:

Sec. 520. ~~Each~~ 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~~

~~1 operate a remote service unit in accordance with Act No. 322 of~~
~~2 the Public Acts of 1978, without prior approval of the~~
~~3 supervisor. An~~ A BRANCH office or agency of an association
4 shall not be moved without approval of the supervisor AS PROVIDED
5 IN SECTION 522.

6 Sec. 522. (1) An association shall not establish or relo-
7 cate a branch office for the transaction of business without
8 application to and approval by the supervisor. Within 10 days
9 after acceptance of an application for permission to establish a
10 branch office, the supervisor shall send written notice of the
11 application by mail to the principal office of each association
12 and federal association. The supervisor shall make an indepen-
13 dent examination or investigation of each branch application, and
14 in furtherance of the investigation, may cause oral argument to
15 be heard concerning the application within 60 days after receipt
16 of an application. The conduct of the oral argument shall con-
17 form to rules promulgated by the supervisor and shall not be
18 subject to THE ADMINISTRATIVE PROCEDURES ACT OF 1969, Act No.
19 306 of the Public Acts of 1969, as amended, BEING SECTIONS 24.201
20 TO 24.328 OF THE MICHIGAN COMPILED LAWS.

21 (2) If it appears that the proposed branch office has a rea-
22 sonable probability of success and that the net worth of the
23 association is adequate with respect to the general operating
24 policies and financial condition of the association, the supervi-
25 sor shall approve and file the application with the date of
26 filing indorsed on the application and shall announce a decision
27 concerning the application within 90 days after acceptance of the

1 application. The supervisor also shall file in the supervisor's
2 office a written memorandum stating the reasons supporting the
3 decision, which memorandum shall be available for public inspec-
4 tion pursuant to THE FREEDOM OF INFORMATION ACT, Act No. 442 of
5 the Public Acts of 1976, as amended, BEING SECTIONS 15.231 TO
6 15.246 OF THE MICHIGAN COMPILED LAWS.

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

13 (4) AN ASSOCIATION MAY MOVE A BRANCH FROM 1 LOCATION TO
14 ANOTHER IF IT GIVES THE SUPERVISOR WRITTEN NOTICE OF THE CHANGE
15 IN LOCATION BEFORE IT OCCURS. IF THE BRANCH IS OF THE TYPE THAT
16 REGULARLY MOVES FROM 1 LOCATION TO ANOTHER, THE ASSOCIATION SHALL
17 FILE WITH THE SUPERVISOR A SCHEDULE SHOWING THE DATES AND TIMES
18 WHEN THE BRANCH WILL BE OPEN FOR BUSINESS AT EACH LOCATION. AN
19 ASSOCIATION MAY AT ANY TIME FILE WITH THE SUPERVISOR A NEW OR
20 AMENDED SCHEDULE. AN ASSOCIATION SHALL OPERATE THE BRANCH IN
21 ACCORDANCE WITH THE SCHEDULE ON FILE WITH THE SUPERVISOR, EXCEPT
22 THAT THE OPERATION OF THE BRANCH MAY DEVIATE FROM THE SCHEDULE
23 NOT MORE THAN 25 DAYS DURING ANY CALENDAR YEAR. THE ASSOCIATION
24 SHALL KEEP A RECORD OF THE DATE AND TIMES WHEN THE BRANCH IS OPEN
25 AT EACH LOCATION.