



SENATE BILL No. 853

September 23, 1993, Introduced by Senator DILLINGHAM and referred to the Committee on Corporations and Economic Development.

A bill to amend section 6 of Act No. 285 of the Public Acts of 1925, entitled as amended

"An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions,"

as amended by Act No. 246 of the Public Acts of 1992, being section 490.6 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 6 of Act No. 285 of the Public Acts of
2 1925, as amended by Act No. 246 of the Public Acts of 1992, being

1 section 490.6 of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 6. (1) Credit unions shall be under the supervision of
4 the commissioner. Each credit union shall report its financial
5 condition at least annually before January 31 for its previous
6 calendar year and more often if requested by the commissioner on
7 forms supplied by the commissioner. Additional reports may be
8 required. Credit unions shall be examined at least annually by
9 the commissioner except that the commissioner may accept the
10 audit of a certified public accountant in place of an
11 examination. Each credit union shall pay an operating fee and
12 other fees as provided in this section.

13 (2) The commissioner shall charge annually an operating fee
14 to each credit union. The operating fee shall be sufficient to
15 defray the estimated expenses to be incurred by the financial
16 institutions bureau in performing all credit union examinations
17 and the supervision of credit unions. Each credit union shall be
18 invoiced by the commissioner for the operating fee before July 1
19 of each year and shall pay the operating fee indicated on the
20 invoice before July 16 of each year. The operating fee shall be
21 computed on the total assets of the credit union as of
22 December 31 of the previous year as shown on the statement of
23 condition of the credit union filed with the financial institu-
24 tions bureau pursuant to subsection (1). The operating fee shall
25 be the greater of \$250.00 or a fee computed by adding all of the
26 following:

1 (a) A base fee as determined by the commissioner of not less
2 than \$1.75 or more than \$3.50 per \$1,000.00 of assets up to
3 \$500,000.00.

4 (b) A fee of 40% of the base fee per \$1,000.00 of assets
5 greater than \$500,000.00 up to \$1,000,000.00.

6 (c) A fee of 30% of the base fee per \$1,000.00 of assets
7 greater than \$1,000,000.00 up to \$5,000,000.00.

8 (d) A fee of 20% of the base fee per \$1,000.00 of assets
9 greater than \$5,000,000.00 up to \$10,000,000.00.

10 (e) A fee of 10% of the base fee per \$1,000.00 for all
11 assets greater than \$10,000,000.00.

12 (3) The commissioner shall not require a credit union to pay
13 an operating fee more often than annually. A corporate central
14 credit union shall pay an operating fee in the same manner as
15 other credit unions but the fee shall not exceed ~~\$80,000.00~~
16 \$50,000.00 annually. If the commissioner fails to transmit an
17 examination report to a credit union during the preceding calen-
18 dar year, the credit union shall receive an operating fee credit
19 of not less than 30% or more than 70% against its next annual
20 operating fee. The credit percentage shall be determined annu-
21 ally by the commissioner and applied equally to all credit unions
22 receiving a credit.

23 (4) All funds received by the commissioner from the federal
24 government for the purpose of reimbursing the financial institu-
25 tions bureau for the costs of credit union examinations and
26 supervision services shall be paid into the state treasury to the
27 credit of the financial institutions bureau. The funds received

1 under this subsection shall be used only for costs relating to
2 the examination and supervision of state chartered credit
3 unions.

4 (5) For failure to file reports when due, unless excused for
5 cause by the commissioner, the credit union shall pay \$25.00 for
6 each day of its delinquency. If the report is not filed within
7 15 days, the commissioner may revoke the credit union's certifi-
8 cate of approval and take possession of the business and property
9 of the credit union and maintain possession until the commis-
10 sioner permits it to continue business or its affairs are finally
11 liquidated.

12 (6) If the commissioner determines that the credit union is
13 insolvent or is in an unsound or unsafe condition, the commis-
14 sioner may serve notice on the credit union of his or her inten-
15 tion to revoke the certificate of approval. If for a period of
16 15 days after the notice the violation or unsound or unsafe con-
17 dition continues, the commissioner may revoke the certificate and
18 take possession of the business and property of the credit union
19 and maintain possession until the commissioner permits it to con-
20 tinue business or its affairs are finally liquidated pursuant to
21 section 20(2).

22 (7) Amendments to the bylaws or certificate of organization
23 of a credit union properly adopted shall be filed with the com-
24 missioner with the payment of a fee of \$10.00 for each amendment,
25 but not in excess of \$30.00 for any 1 filing.

26 (8) Except as provided in subsection (4), all fees required
27 by this act shall be paid into the state treasury to the credit

1 of the financial institutions bureau and the money in this
2 account shall be used only for the operation of the financial
3 institutions bureau.