



HOUSE BILL No. 5872

May 9, 1996, Introduced by Reps. Randall, Middaugh, Alley, Kaza, Lowe, Kukuk, Gernaat, Perricone and Jaye and referred to the Committee on Commerce.

A bill to amend sections 159 and 228 of Act No. 319 of the Public Acts of 1969, entitled as amended "Banking code of 1969," section 159 as amended by Act No. 399 of the Public Acts of 1994, being sections 487.459 and 487.528 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 159 and 228 of Act No. 319 of the
2 Public Acts of 1969, section 159 as amended by Act No. 399 of the
3 Public Acts of 1994, being sections 487.459 and 487.528 of the
4 Michigan Compiled Laws, are amended to read as follows:

5 Sec. 159. (1) A bank shall not engage in a transaction with
6 respect to shares of the capital stock of a corporation unless
7 specifically authorized by this act or by the commissioner
8 ~~pursuant to~~ UNDER this act.

1 (2) A bank may purchase and sell securities and stock upon
2 the order of and for the account of a customer without recourse.

3 (3) A bank shall not make a loan on or discount the security
4 of the shares of its own capital stock . ~~(4) A bank may not~~
5 ~~purchase and hold shares of its own capital stock except for~~
6 ~~either of the following: (a) The bank is holding shares previ-~~
7 ~~ously purchased until disposed of in compliance with an existing~~
8 ~~stock option plan. (b) The purchase or holding of the shares~~
9 UNLESS THE SECURITY is necessary to prevent loss upon a debt pre-
10 viously contracted in good faith.

11 Sec. 228. Subject to section 193, all savings deposits
12 shall be repaid to the depositor, or his OR HER lawful represen-
13 tatives, at such time, with such interest, and under such regula-
14 tions as the board of directors of the bank may prescribe. ~~from~~
15 ~~time to time, which regulations shall be conspicuously posted in~~
16 ~~each banking office where savings business is transacted. A copy~~
17 ~~of the regulations shall be furnished to each savings depositor~~
18 ~~at the time of the initial deposit.~~