

Act No. 50
Public Acts of 1997
Approved by the Governor
June 30, 1997
Filed with the Secretary of State
June 30, 1997
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Rep. Griffin

ENROLLED HOUSE BILL No. 4604

AN ACT to amend 1996 PA 354, entitled "An act to codify the laws relating to savings banks; to provide for incorporation, regulation, supervision, and internal administration of savings banks; to prescribe the rights, powers, and immunities of savings banks; to prescribe the powers and duties of certain state agencies and officials; to provide for remedies; and to prescribe penalties," by amending section 508 (MCL 487.3508) and by adding section 302a.

The People of the State of Michigan enact:

Sec. 302a. (1) An out-of-state savings bank may apply to organize a branch in this state under this act by providing to the commissioner proof that its deposits are insured by an agency of the United States government.

(2) If the commissioner determines after receipt of the proof required under subsection (1) that the out-of-state savings bank is safe and sound, that the out-of-state savings bank is subject to regulation, that there exists an agreement for exchange of supervisory information between the bureau and the out-of-state savings bank regulator, and that the out-of-state savings bank has otherwise complied with this act, the commissioner shall provide to the out-of-state savings bank a certificate of organization and eligibility to accept deposits and investments of public funds of the state and local units of government.

Sec. 508. (1) Except as otherwise provided in this section, a savings bank or savings bank officer shall not give preference to a depositor or creditor by pledging the assets of the savings bank as collateral security or otherwise.

(2) A savings bank, with the written consent of the commissioner, may pledge its assets in an amount not in excess of 10% of its total deposits for the purpose of securing the following:

(a) Funds belonging to the United States or belonging to or being administered by an officer, instrumentality, or agent of the United States, funds of estates being administered by a federal court under a federal bankruptcy law, and other funds when required or permitted to do so under the laws of the United States or an order of a federal court.

(b) Surplus funds of the state held by the state treasurer.

(c) Funds of the Mackinac bridge authority, which is declared to be a political subdivision of this state, under 1950 (Ex Sess) PA 21, MCL 254.301 to 254.304.

(d) Funds of the international bridge authority, which is declared to be a political subdivision of this state, under 1954 PA 99, MCL 254.221 to 254.240.

(e) Funds on deposit under 1941 PA 205, MCL 252.51 to 252.64, providing for limited access highways.

(f) Funds on deposit to the credit of the Michigan employment security commission.

(g) Funds of the Michigan state housing development authority constituting proceeds of the sale of the authority's notes and bonds and repayments of those notes and bonds, under the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

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

(3) The requirements, restrictions, and limitations imposed by this section shall not apply to the pledging of an obligation of the United States, direct or fully guaranteed, or both, for the purpose of securing a deposit of the United States when the deposit is established coincidentally with the purchase of an obligation of the United States by or through an institution.

(4) A savings bank may pledge its assets to secure liabilities of all of the following types:

(a) In the case of member banks, liabilities incurred under the federal reserve act, chapter 6, 38 Stat. 251. In the case of nonmember banks, liabilities incurred through borrowing under the same conditions as are imposed upon members of the federal reserve system by the federal reserve act, chapter 6, 38 Stat. 251.

(b) In the case of federal home loan bank members, liabilities incurred under the federal home loan bank act, chapter 522, 47 Stat. 725.

(c) Liabilities incurred under former section 202 of title II of the federal farm loan act.

(d) Liabilities incurred on account of a loan made with the express approval of the commissioner under section 433(c).

(e) Liabilities incurred on account of borrowings from 1 business day to the next under section 19 of the federal reserve act, chapter 6, 38 Stat. 251.

(f) Liabilities incurred on account of securities sold under a repurchase agreement.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.