



# HOUSE BILL No. 5335

February 9, 2000, Introduced by Rep. Sanborn and referred to the Committee on Insurance and Financial Services.

A bill to amend 1996 PA 354, entitled  
"Savings bank act,"  
by amending section 102 (MCL 487.3102).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 102. As used in this act:

2       (a) "Agency office" means a place at which the business of a  
3 savings bank is conducted other than by regularly employed per-  
4 sonnel of the savings bank, as provided under section 417(6).

5       (b) "Articles" means articles of incorporation, all amend-  
6 ments to articles of incorporation, and agreements of consolida-  
7 tion and merger.

8       (c) "Approved by the members", for a mutual savings bank,  
9 means approved by a majority of all votes cast at a duly held  
10 regular meeting or special meeting.

1 (d) "Affiliate" means a corporation, business trust,  
2 association, or an organization to which 1 or more of the  
3 following apply:

4 (i) A savings bank, directly or indirectly, owns or controls  
5 either a majority of its voting shares or more than 50% of the  
6 number of shares voted for the election of its directors, trust-  
7 ees, or other persons exercising similar functions at the preced-  
8 ing election, or controls in any manner the election of a major-  
9 ity of its directors, trustees, or other persons exercising simi-  
10 lar functions.

11 (ii) Control of the organization is held, directly or indi-  
12 rectly, through stock ownership or in any other manner, by the  
13 shareholders of a savings bank who own or control either a major-  
14 ity of the shares of that savings bank or more than 50% of the  
15 number of shares voted for the election of directors of that sav-  
16 ings bank at the preceding election, or by trustees for the bene-  
17 fit of the shareholders of that savings bank, or by members of  
18 the savings bank if it is a mutual savings bank.

19 (iii) A majority of its directors, trustees, or other per-  
20 sons holding similar positions are directors of any 1 savings  
21 bank.

22 (iv) Owns or controls, directly or indirectly, either a  
23 majority of the shares of capital stock of any 1 savings bank or  
24 more than 50% of the number of shares voted for the election of  
25 directors of that savings bank at the preceding election, or con-  
26 trols in any manner the election of a majority of the directors  
27 of that savings bank, or for the benefit of whose shareholders

1 all or substantially all the capital stock of that savings bank  
2 is held by trustees.

3 (e) "Association" means a federal savings association orga-  
4 nized under section 5 of the home owners' loan act, chapter 64,  
5 48 Stat. 132, 12 U.S.C. 1464, or a savings and loan association,  
6 building and loan association, or homestead association, that is  
7 organized under the laws of a state or the District of Columbia  
8 and whose deposits are insured by the federal deposit insurance  
9 corporation.

10 (f) "Bank" means a state banking corporation organized or  
11 reorganized under ~~the provisions of~~ the banking code of ~~1969,~~  
12 ~~Act No. 319 of the Public Acts of 1969, being sections 487.301 to~~  
13 ~~487.598 of the Michigan Compiled Laws 1999, MCL 487.11101 TO~~  
14 ~~487.15101, or organized under the provisions of~~ any law of this  
15 state enacted before ~~August 20, 1969~~ THE EFFECTIVE DATE OF THAT  
16 ACT.

17 (g) "Bank holding company" means a stock or mutual company  
18 as defined in the bank holding company act of 1956, chapter 240,  
19 70 Stat. 133, or a company defined as a savings and loan holding  
20 company in the home owners' loan act, chapter 64, 48 Stat. 128,  
21 that is not a savings bank, national banking association, or  
22 association.

23 (h) "Branch" means a place of business, other than the prin-  
24 cipal office of a savings bank, at which the savings bank trans-  
25 acts business that may be conducted at its principal office.  
26 Branch does not include a subsidiary, service entity, agency  
27 office, loan production office, place where only records are

1 made, posted, or kept, place of business of a financial  
2 institution with which the savings bank has an agency relation-  
3 ship under section 401, or an automated teller machine if it is  
4 made available to 2 or more federal or state chartered financial  
5 institutions under a state statute which regulates electronic  
6 funds transfer facilities. The acceptance of deposits in fur-  
7 therance of a school thrift or savings plan by an officer,  
8 employee, or agent of a savings bank at any school is not the  
9 establishment or operation of a branch. The receipt of deposits  
10 by a messenger service or the delivery by messenger service of  
11 items representing deposit account withdrawals or of loan pro-  
12 ceeds is not the establishment or operation of a branch, whether  
13 or not the messenger service is owned or operated by the savings  
14 bank.

15 (i) "Bureau" means the financial institutions bureau in the  
16 department of consumer and industry services.

17 (j) "Capital" means the stated par value of issued and out-  
18 standing unimpaired common stock and the stated par value of  
19 issued and outstanding unimpaired preferred stock.

20 (k) "Commissioner" means the commissioner of the financial  
21 institutions bureau.

22 (l) "Compliance review committee" means both of the  
23 following:

24 (i) One or more persons assigned by management or appointed  
25 by the board of directors or other governing body of a depository  
26 institution, or of a subsidiary of a depository institution, or

1 of a service corporation or other service entity of a depository  
2 institution, for the purposes set forth in section 339.

3 (ii) Any other person to the extent the person acts in an  
4 investigatory capacity at the direction of a compliance review  
5 committee.

6 (m) "Compliance review documents" means documents prepared  
7 in connection with a review or evaluation conducted by or for a  
8 compliance review committee.

9 (n) "Consolidate", "consolidated", "consolidating", and  
10 "consolidation" mean the consolidation or merger of 2 or more  
11 depository institutions.

12 (o) "Consolidated savings bank" means a savings bank that  
13 results from a consolidation between a savings bank and 1 or more  
14 banks, out-of-state banks, national banks, associations, or sav-  
15 ings banks.

16 (p) "Consolidated organization" means an organization that  
17 results from a consolidation of consolidating organizations.

18 (q) "Consolidating organizations" means any combination of  
19 banks, out-of-state banks, national banks, associations, savings  
20 banks, or state or federal credit unions that have consolidated  
21 or are in the process of consolidation as provided in section 701  
22 or 702.

23 (r) "Depository institution" means a bank, out-of-state  
24 bank, national bank, association, savings bank, cooperative bank,  
25 industrial bank, or credit union organized under the laws of this  
26 state, another state, the District of Columbia, the United  
27 States, or a territory or protectorate of the United States.

1       (s) "Director" means a director, trustee, or other person  
2 holding a similar position with respect to an organization  
3 whether incorporated or unincorporated. Director does not  
4 include an advisory director, honorary director, director emeri-  
5 tus, or similar person, unless the person is otherwise performing  
6 functions similar to those of a director.

7       (t) "Federal reserve act" means the federal reserve act,  
8 chapter 6, 38 Stat. 251.

9       (u) "Fiduciary" means a trustee, executor, administrator,  
10 guardian, conservator, agent, receiver, trustee in bankruptcy,  
11 assignee for creditors, or any holder of a similar position of  
12 trust. It also describes the relationship of a director to a  
13 savings bank as stipulated in section 323 of this act.

14       (v) "Foreign country" means a country other than the United  
15 States and includes a colony, dependency, or possession of a  
16 country other than the United States.

17       (w) "Impairment" means a condition in which the value of the  
18 savings bank's assets is less than the aggregate amount of the  
19 savings bank's liabilities to creditors and depositors, less its  
20 capital, if the savings bank is a stock savings bank, or a condi-  
21 tion in which the value of the savings bank's assets is less than  
22 the aggregate amount of the savings bank's liabilities to credi-  
23 tors and members, if the savings bank is a mutual savings bank.

24       (x) "Incorporator" means a person who signed the original  
25 articles of incorporation.

26       Enacting section 1. This amendatory act does not take  
27 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_

1 (request no. 02983'99) of the 90th Legislature is enacted into  
2 law.