

REPRINT

SUBSTITUTE FOR

HOUSE BILL NO. 5152

(As passed the House, October 31, 2001)

(As passed the Senate, April 18, 2002)

A bill to amend 1996 PA 354, entitled
"Savings bank act,"
(MCL 487.3101 to 487.3804) by adding section 706a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 706A. (1) AS USED IN THIS SECTION:

2 (A) "EXISTING MUTUAL SAVINGS BANK" MEANS A MUTUAL SAVINGS
3 BANK ENGAGED IN THE SAVINGS BANK BUSINESS BEFORE REORGANIZATION
4 UNDER THIS SECTION.

5 (B) "MUTUAL HOLDING COMPANY" MEANS THAT TERM AS DEFINED IN
6 SECTION 10(o) OF THE HOME OWNERS' LOAN ACT, CHAPTER 64, TITLES
7 III AND IX OF PUBLIC LAW 101-73, 12 U.S.C. 1467a, AND OTS REGULA-
8 TIONS GOVERNING MUTUAL HOLDING COMPANIES.

9 (C) "NEW SAVINGS BANK" MEANS A SAVINGS BANK NOT ENGAGED IN
10 THE SAVINGS BANK BUSINESS BEFORE THE REORGANIZATION PROVIDED IN
11 THIS SECTION.

HB 5152, As Passed Senate, April 18, 2002

House Bill No. 5152

2

1 (D) "OTS" MEANS THE OFFICE OF THRIFT SUPERVISION, UNITED
2 STATES DEPARTMENT OF THE TREASURY.

3 (2) AN EXISTING MUTUAL SAVINGS BANK MAY REORGANIZE TO ESTAB-
4 LISH A MUTUAL HOLDING COMPANY, IF ALL OF THE FOLLOWING REQUIRE-
5 MENTS ARE MET:

6 (A) THE REORGANIZATION PLAN COMPLIES IN ALL RESPECTS WITH
7 OTS MUTUAL HOLDING COMPANY LAWS AND RECEIVES THE APPROVAL OF THE
8 OTS, AND THE OTS GRANTS A FEDERAL CHARTER TO THE NEWLY CREATED
9 MUTUAL HOLDING COMPANY.

10 (B) THE REORGANIZATION PLAN RECEIVES THE APPROVAL OF THE
11 OFFICE OF FINANCIAL AND INSURANCE SERVICES.

12 (C) THE BOARD OF DIRECTORS OF THE EXISTING MUTUAL SAVINGS
13 BANK HAS APPROVED THE PLAN OF REORGANIZATION AT A MEETING CALLED
14 IN ACCORDANCE WITH THE BANK'S ARTICLES OF INCORPORATION AND
15 BYLAWS.

16 (D) A MAJORITY OF THE TOTAL VOTES OF THE MEMBERS OF THE
17 EXISTING MUTUAL SAVINGS BANK ELIGIBLE TO BE CAST SHALL HAVE
18 APPROVED THE PLAN OF REORGANIZATION AFTER A MEMBERSHIP MEETING
19 CALLED IN ACCORDANCE WITH THE BANK'S ARTICLES OF INCORPORATION
20 AND BYLAWS.

21 (3) PERSONS AS PROVIDED IN SECTION 301 MAY ORGANIZE AND
22 INCORPORATE AS THE INCORPORATOR OR INCORPORATORS ANY NEW SAVINGS
23 BANK SUBSIDIARY OF THE EXISTING MUTUAL SAVINGS BANK, HAVING ITS
24 PRINCIPAL OFFICE IN THE SAME CITY OR VILLAGE AS THE PRINCIPAL
25 OFFICE OF THE EXISTING MUTUAL SAVINGS BANK, IF THE NEW SAVINGS
26 BANK IS ORGANIZED FOR THE SOLE PURPOSE OF EFFECTING A
27 REORGANIZATION PLAN IN ACCORDANCE WITH THIS SECTION.

HB 5152, As Passed Senate, April 18, 2002

House Bill No. 5152

3

1 (4) THE ASSETS, LIABILITIES, AND BANKING BUSINESS OF THE
2 EXISTING MUTUAL SAVINGS BANK SHALL NOT BE TRANSFERRED TO ANY NEW
3 SAVINGS BANK SUBSIDIARY OR FEDERAL SAVINGS BANK SUBSIDIARY UNDER
4 THE REORGANIZATION PLAN UNTIL THE OFFICE OF FINANCIAL AND INSUR-
5 ANCE SERVICES OR OTS APPROVES A CHARTER FOR THE SUBSIDIARY TO
6 OPERATE AS A SAVINGS BANK OR FEDERAL SAVINGS BANK.

7 (5) UNLESS THE OFFICE OF FINANCIAL AND INSURANCE SERVICES
8 DETERMINES IN WRITING THAT THE SUBSIDIARY CHARTER APPLICATION
9 DOES NOT MEET THE REQUIREMENTS FOR A SAVINGS BANK UNDER THIS ACT,
10 THE OFFICE OF FINANCIAL AND INSURANCE SERVICES SHALL APPROVE THE
11 SUBSIDIARY'S CHARTER APPLICATION IF THE APPLICANT REPRESENTS, AND
12 THE COMMISSIONER BELIEVES, THE SUBSIDIARY WILL CONDUCT SUBSTAN-
13 TIALY THE SAME BANKING BUSINESS AS THE EXISTING MUTUAL SAVINGS
14 BANK.