

HOUSE BILL No. 5152

October 9, 2001, Introduced by Reps. Sanborn and Richner and referred to the Committee on Insurance and Financial Services.

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 10A(○) OF THE HOME OWNER'S LOAN ACT, CHAPTER 64, TITLE
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.

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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 OR SUBSIDIARY HOLDING COMPANY, IF
5 ALL OF THE FOLLOWING REQUIREMENTS 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 MEMBERS OF THE EXISTING MUTUAL SAVINGS
17 BANK SHALL HAVE APPROVED THE PLAN OF REORGANIZATION AFTER A MEM-
18 BERSHIP MEETING CALLED IN ACCORDANCE WITH THE BANK'S ARTICLES OF
19 INCORPORATION AND BYLAWS.

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

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 UNDER THE REORGANIZATION PLAN UNTIL THE
4 OFFICE OF FINANCIAL AND INSURANCE SERVICES APPROVES A CHARTER FOR
5 THE SUBSIDIARY TO OPERATE AS A SAVINGS BANK.

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