

Act No. 263
Public Acts of 2002
Approved by the Governor
May 1, 2002
Filed with the Secretary of State
May 1, 2002
EFFECTIVE DATE: May 1, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Reps. Sanborn and Richner

ENROLLED HOUSE BILL No. 5152

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," (MCL 487.3101 to 487.3804) by adding section 706a.

The People of the State of Michigan enact:

Sec. 706a. (1) As used in this section:

(a) "Existing mutual savings bank" means a mutual savings bank engaged in the savings bank business before reorganization under this section.

(b) "Mutual holding company" means that term as defined in section 10(o) of the home owners' loan act, chapter 64, titles III and IX of Public Law 101-73, 12 U.S.C. 1467a, and OTS regulations governing mutual holding companies.

(c) "New savings bank" means a savings bank not engaged in the savings bank business before the reorganization provided in this section.

(d) "OTS" means the office of thrift supervision, United States department of the treasury.

(2) An existing mutual savings bank may reorganize to establish a mutual holding company, if all of the following requirements are met:

(a) The reorganization plan complies in all respects with OTS mutual holding company laws and receives the approval of the OTS, and the OTS grants a federal charter to the newly created mutual holding company.

(b) The reorganization plan receives the approval of the office of financial and insurance services.

(c) The board of directors of the existing mutual savings bank has approved the plan of reorganization at a meeting called in accordance with the bank's articles of incorporation and bylaws.

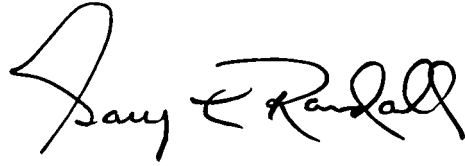
(d) A majority of the total votes of the members of the existing mutual savings bank eligible to be cast shall have approved the plan of reorganization after a membership meeting called in accordance with the bank's articles of incorporation and bylaws.

(3) Persons as provided in section 301 may organize and incorporate as the incorporator or incorporators any new savings bank subsidiary of the existing mutual savings bank, having its principal office in the same city or village as the principal office of the existing mutual savings bank, if the new savings bank is organized for the sole purpose of effecting a reorganization plan in accordance with this section.

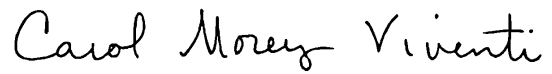
(4) The assets, liabilities, and banking business of the existing mutual savings bank shall not be transferred to any new savings bank subsidiary or federal savings bank subsidiary under the reorganization plan until the office of financial and insurance services or OTS approves a charter for the subsidiary to operate as a savings bank or federal savings bank.

(5) Unless the office of financial and insurance services determines in writing that the subsidiary charter application does not meet the requirements for a savings bank under this act, the office of financial and insurance services shall approve the subsidiary's charter application if the applicant represents, and the commissioner believes, the subsidiary will conduct substantially the same banking business as the existing mutual savings bank.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.