

SUBSTITUTE FOR  
HOUSE BILL NO. 4749

A bill to amend 1996 PA 354, entitled  
"Savings bank act,"  
by amending section 512 (MCL 487.3512).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 512. (1) An overdraft existing for 90 days shall be  
2 charged off to the profit and loss account of the savings bank at  
3 the expiration of that time.

4       (2) A director or executive officer of a savings bank shall  
5 not knowingly overdraw his or her account.

6       (3) ~~All debts due to a savings bank on which interest~~ **UNLESS A**  
7 **DEBT CONSTITUTES A CLAIM AGAINST A SOLVENT ESTATE IN PROBATE, IF**  
8 **THE INTEREST ON A DEBT HELD BY A SAVINGS BANK** is past due and  
9 unpaid for a period of ~~6-12~~ months, ~~unless the debts are well~~  
10 ~~secured and in process of collection or the debts constitute claims~~  
11 ~~against solvent estates in probate, shall be charged off to the~~  
12 ~~reserve for bad debts or the profit and loss account of the savings~~

1 ~~bank at the expiration of that time~~ THE SAVINGS BANK SHALL CHARGE  
2 OFF TO ITS ALLOWANCE FOR LOAN AND LEASE LOSSES THE PORTION OF THE  
3 DEBT THAT IS NOT WELL SECURED.