

**CREDIT UNION ACT (EXCERPT)**  
**Act 215 of 2003**

PART 1  
FORMATION AND OPERATION

**490.301 Domestic credit union; membership; organization; approval by commissioner; notice; disapproval; request to reconsider; hearing; appeal; retention by commissioner of original certificate of organization and bylaws; delivery; form.**

Sec. 301. (1) Seven individuals, a majority of whom are residents of this state and all of whom are within the proposed field of membership of the domestic credit union, may file an application to organize a domestic credit union under this act. This subsection does not apply to the organization of a corporate credit union under this act.

(2) A domestic credit union is organized in the following manner:

(a) The applicants shall file an application in the form prescribed by the commissioner. The application shall contain all of the following information:

(i) The name and all proposed assumed names of the domestic credit union.

(ii) The location of the principal place of business and any initial branches of the domestic credit union.

(iii) The names and addresses of the applicants and the number of shares subscribed by each.

(iv) The par value of the shares of the domestic credit union. The par value of a share shall not exceed \$100.00.

(v) The proposed field of membership.

(vi) Any other information required by the commissioner.

(b) The applicants shall deliver the application to the commissioner, with an application fee in an amount established by the commissioner.

(c) Within 60 days after receipt of an application or the last amendment or supplement to the application, the commissioner shall do all of the following:

(i) Examine the information contained in the application and conduct any investigation the commissioner considers necessary pertaining to the organization of the new domestic credit union.

(ii) Determine whether the organization of the proposed domestic credit union will benefit its members.

(iii) Determine whether a federal agency authorized to insure share and deposit accounts has issued a firm commitment to provide that insurance for the domestic credit union.

(iv) Determine whether organization of the domestic credit union is consistent with the purposes of this act.

(v) Approve or disapprove the proposed field of membership only on the basis of safety and soundness.

(d) The commissioner approves or disapproves of the organization of the domestic credit union.

(e) If the commissioner approves, he or she issues a certificate of approval.

(3) The decision to approve or disapprove of the organization of a domestic credit union under subsection (2) is discretionary with the commissioner. The commissioner shall notify the applicants of his or her decision. If the commissioner approves, he or she shall issue a certificate of organization and approved bylaws of the domestic credit union. If all of the organizers sign the certificate of organization and adopt the bylaws and return the certificate of organization and bylaws to the commissioner, the commissioner shall issue the certificate of approval authorizing the commencement of business. If the commissioner disapproves, he or she shall state the reasons for the decision and the applicant may request a hearing to reconsider the decision before the commissioner within 30 days after the mailing of a copy of the decision to the applicants. Within 10 days after receipt of a request for a hearing to reconsider, the commissioner shall set a date for the hearing that is within 60 days after the date the request was received. If the commissioner does not approve the organization of the domestic credit union after the hearing to reconsider, the applicants may file an appeal of the commissioner's decision in the circuit court for the county stated in the application as the location of the principal office of the domestic credit union or in the circuit court for Ingham county within 30 days after the date of mailing by certified mail of a copy of the decision to the applicants. If the applicants appeal to the circuit court, the commissioner shall retain the exhibits introduced at the hearing and shall forward them to the circuit court. The applicants shall pay the cost of preparation of the stenographer's record of the hearing to reconsider.

(4) If a certificate of approval authorizing a domestic credit union to commence business is issued under subsection (2), the domestic credit union is organized for purposes of this act.

(5) The commissioner shall retain the original certificate of organization and the original bylaws. The commissioner shall deliver the certificate of approval and a copy of the approved bylaws to the domestic credit union.

(6) The commissioner shall prescribe the form of the certificate of organization and the bylaws and shall furnish them upon request to a domestic credit union or a person who is considering organization of a domestic credit union.

**History:** 2003, Act 215, Eff. June 1, 2004;—Am. 2004, Act 471, Imd. Eff. Dec. 28, 2004.

#### **490.302 Organization of credit union by 2 or more credit unions.**

Sec. 302. Two or more credit unions may file an application to organize a corporate credit union under this act.

**History:** 2003, Act 215, Eff. June 1, 2004;—Am. 2004, Act 471, Imd. Eff. Dec. 28, 2004.

#### **490.303 Amendment to certificate of organization or bylaws.**

Sec. 303. (1) If approved by a majority of the members present at a duly constituted annual or special meeting of the members, the membership may amend the certificate of organization or bylaws of a domestic credit union or delegate authority to the credit union board, or rescind the authority of the credit union board, to amend the certificate of organization or bylaws.

(2) Any proposed action to amend the certificate of organization or the bylaws or to delegate authority to amend the certificate of organization or bylaws to the credit union board under subsection (1) shall be stated in a notice of the meeting.

(3) An amendment to the certificate of organization or bylaws of a domestic credit union is not effective unless it is submitted to the director for review and approved by the director.

**History:** 2003, Act 215, Eff. June 1, 2004;—Am. 2016, Act 153, Eff. Sept. 7, 2016.

#### **490.304 Principal place of business; notice of change in location; establishment and maintenance of branches; service centers; assumed names.**

Sec. 304. (1) If a domestic credit union changes the location of its principal place of business in this state, the domestic credit union must provide the director with written notice at least 7 days before the change of location.

(2) A domestic credit union shall file the address of the principal place of business and the names and titles of the officials and senior management employees of the domestic credit union with the director on a form prescribed by the director. If the name or title of an official or senior management employee of a domestic credit union changes, the credit union shall provide the director with written notice of the change within 7 days after the change.

(3) A domestic credit union may establish and maintain branches. The credit union shall provide written notice to the director of the location of a branch before establishing the branch.

(4) A domestic credit union and 1 or more domestic or foreign credit unions or other financial organizations may establish and maintain service centers. One or more of the financial organizations that establish a service center may operate the service center, or the financial organizations organizing the service center may contract with another person to operate the service center. A domestic credit union may refer to a service center as a branch.

(5) Subject to all of the following, a domestic credit union may adopt or change 1 or more assumed names:

(a) The domestic credit union shall give written notice of a proposed assumed name to the director at least 30 days before using the assumed name.

(b) The director may deny a domestic credit union the right to use an assumed name or terminate a credit union's right to use an assumed name if the director determines that the assumed name is confusing or misleading or for any other reason.

(c) A domestic credit union using an assumed name shall clearly and conspicuously disclose the name of the credit union and the assumed name in all signs, advertising, mailings, and similar materials and shall clearly and conspicuously disclose the assumed name and the name of the credit union in all legal documents, certificates of deposit, signature cards, loan agreements, account statements, checks, drafts, and other similar documents.

(d) An assumed name may contain the phrase "credit union".

**History:** 2003, Act 215, Eff. June 1, 2004;—Am. 2004, Act 471, Imd. Eff. Dec. 28, 2004;—Am. 2016, Act 152, Eff. Sept. 7, 2016.

#### **490.305 Books and records; availability; court order.**

Sec. 305. (1) A domestic credit union shall maintain its books and records at its principal place of business filed with the director under section 304 and make the books and records available for examination by the director or his or her authorized agent, except as follows:

(a) A credit union may maintain specified books and records at a location in this state other than its

principal place of business if it gives notice to the director of the location of the specified books and records and can produce those books and records at its principal place of business within 3 business days after a request from the commissioner to examine them.

(b) Except as required by other applicable law, a credit union may store records at an off-site facility or on alternative storage media if the records are available for examination by the director or his or her appointed agent.

(c) A domestic credit union may maintain records specific to a branch located outside of this state at that branch if the credit union can make the originals of those records available to the director within this state within 3 business days after a request from the director to examine them. If a law applicable in the state where the branch is located prohibits the removal of the original records from that state, the credit union shall notify the director of that law and provide copies of the records to the director.

(2) If a domestic credit union does not make its books and records available to the director or his or her authorized agent in the manner described in subsection (1), the director may obtain an order from the circuit court of the county in which the credit union is located that requires the credit union to produce the books and records for examination.

**History:** 2003, Act 215, Eff. June 1, 2004;—Am. 2016, Act 152, Eff. Sept. 7, 2016.

#### **490.306 Conducting business by mail or electronic communication.**

Sec. 306. With prior written notice to the director, a domestic credit union may conduct its business solely by mail or through electronic communication without having a physical location where members may transact business with the credit union. A domestic credit union conducting business under this section shall maintain a principal place of business in this state.

**History:** 2003, Act 215, Eff. June 1, 2004;—Am. 2016, Act 153, Eff. Sept. 7, 2016.

#### **490.307 Repealed. 2005, Act 194, Imd. Eff. Nov. 7, 2005.**

**Compiler's note:** The repealed section pertained to filing of a suspicious activity report by a domestic credit union with a federal agency.