

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

PART 4
MEMBERS

490.351 Annual meeting; special meeting; voting; removal of member.

Sec. 351. (1) A domestic credit union shall hold an annual meeting of the members each calendar year in the manner indicated in the bylaws. The members shall elect the credit union board at the annual meeting.

(2) A domestic credit union may hold a special meeting of the members in the manner indicated in the bylaws.

(3) At any meeting of the members, a member with 1 or more shares has 1 vote on any matter submitted to the members. A member may not vote by proxy. A member who is not a natural person may vote through an agent with authority to vote on that member's behalf.

(4) The members of a domestic credit union may remove a member of the credit union board or a credit or supervisory committee member elected by the members of the domestic credit union from office but only at a special meeting of the members called for that purpose.

History: 2003, Act 215, Eff. June 1, 2004.

490.352 Domestic credit union; membership; composition; field of membership; application; approval by commissioner; revision; extension.

Sec. 352. (1) The membership of a domestic credit union is comprised of each person that organized the domestic credit union, and each person that meets all of the following:

(a) The person belongs to a group of persons that is within the domestic credit union's field of membership.

(b) The person is accepted by the domestic credit union as a member.

(c) The person pays any entrance or membership fee required by the domestic credit union.

(d) The person pays for 1 or more shares, including a membership share if the domestic credit union requires ownership of a membership share.

(e) The person complies with any other requirement for membership contained in the domestic credit union's bylaws.

(2) The credit union board of a domestic credit union shall establish the field of membership for a domestic credit union. The field of membership shall consist of 1 or more of the following:

(a) One or more groups of any size that have a common bond of occupation, association, or religious affiliation.

(b) One or more groups composed of persons whose common bond is residence, employment, or place of religious worship within a geographic area composed of 1 or more school districts, counties, cities, villages, or townships.

(c) One or more groups whose common bond is common interests, activities, or objectives.

(3) One or more credit unions may serve 1 or more groups described in subsection (2).

(4) A credit union board that establishes or revises the field of membership of the domestic credit union shall submit the proposed or revised field of membership to the commissioner for approval on an application form provided by the commissioner. The commissioner shall promptly notify an applicant when he or she determines that an application is complete and the date of that determination. If the application seeks to revise a field of membership to include 1 or more groups described in subsection (2)(b), the commissioner may require that the applicant provide additional information regarding the common bond of persons within the proposed geographical area or areas. The commissioner shall establish standards for obtaining this additional information.

(5) The commissioner has 60 days after the date of determination described in subsection (4) to approve or disapprove of an application under subsection (4). In reviewing an application under subsection (4), the commissioner must first determine whether the proposed field of membership meets the common bond requirements of subsection (2). If the commissioner determines that the proposed field of membership does meet the common bond requirements of subsection (2), then the commissioner may only disapprove of the application on the basis of safety and soundness of the domestic credit union. If the commissioner does not approve or disapprove of the application, or extend the 60-day period under subsection (6), within that 60-day period, the application is considered approved as of the day after the 60-day period.

(6) The commissioner may extend the 60-day period described in subsection (5) for 1 or more additional 60-day periods for administrative reasons or to allow for public comment if the commissioner delivers notice of each 60-day extension in writing to the domestic credit union before the 60-day period and any prior

60-day extensions expire. An extension notice shall explain the reason for the extension. If the commissioner does not approve or disapprove of the application, or grant an additional 60-day extension, within a 60-day extension period, the application is considered approved as of the day after the 60-day extension period. The commissioner may grant any number of 60-day extensions, but the domestic credit union may treat any extension after the third 60-day extension as a disapproval of the application and may pursue any administrative or legal remedies available for a disapproval.

(7) If authorized in the bylaws of the domestic credit union, a member that is no longer in the field of membership of the domestic credit union because the field of membership is revised under this section, or the member leaves the field of membership, may continue as a member, on the same basis as any other member, or on a different basis if the bylaws establish a different basis for that continued membership.

(8) A domestic credit union shall respond to an application for membership within 30 calendar days after receiving it. If the domestic credit union determines that there is a sound business reason for the action, a domestic credit union may deny membership to any applicant for membership.

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

490.353 Membership; conditions.

Sec. 353. (1) Except as provided in this part, ownership of a share is a condition of membership in a domestic credit union. A domestic credit union may require ownership of a membership share rather than a share as a condition of membership. Except as provided in this section, a member may own only 1 membership share.

(2) A domestic credit union may accept and maintain deposits under section 401(2)(x) without the depositor subscribing to or paying for a share in the domestic credit union.

(3) If it is composed for the most part of the same general group as the membership of the domestic credit union, a domestic credit union may accept a legal entity as a member of a domestic credit union.

(4) If the domestic credit union elects, a single account jointly owned by 2 or more individuals may serve as the basis for membership of any of those individual owners who are otherwise eligible for membership if the account contains at least 1 share for each of them.

(5) If an individual was a member of the domestic credit union at the time of his or her death, a domestic credit union may accept the estate of the individual as a member.

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

490.354 Acceptance of trust as member; conditions.

Sec. 354. (1) A domestic credit union may accept a trust as a member if any of the settlors living at the time of application are eligible for membership, or if none of the settlors are living at the time of application and 1 or more beneficiaries are eligible for membership.

(2) An account owned by 1 or more individuals may be titled or retitled in the name of a trust and not in the name of the individuals if all of the following are met:

(a) The trust is eligible for membership in the domestic credit union under subsection (1).

(b) Each owner consents in writing to titling or retitling the account in the name of the trust.

(c) Any beneficiaries listed on the account are removed as beneficiaries by the owners.

(d) The account is not an account that provides tax deferrals or any other tax benefit under state or federal law.

(3) If an account is retitled in the name of a trust under subsection (2), the membership of any individual or individuals who had owned all or an interest in the account is terminated unless he or she is a member based on ownership of another account, or he or she qualifies for, applies for, and is accepted into membership.

History: 2003, Act 215, Eff. June 1, 2004.

490.355 Designation as inactive account.

Sec. 355. A domestic credit union may allow a member to designate an account on which the member's membership is based as inactive. If the account is the basis for the membership of more than 1 individual, each individual must agree to the designation. While an account is inactive, the member involved shall retain the member's membership but is not entitled to any of the privileges of membership. While an account is inactive, the domestic credit union shall not charge any fees to the account. The member who designated an account as inactive may remove the designation of inactive at any time. If the inactive designation is not removed within the time frame prescribed in the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, the domestic credit union shall deliver all money or other property in the account to the department of treasury as provided under the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, and terminate any membership based on the account.

History: 2003, Act 215, Eff. June 1, 2004;—Am. 2016, Act 152, Eff. Sept. 7, 2016;—Am. 2024, Act 100, Imd. Eff. July 23, 2024.

490.356 Minor; deposit, investment, or withdrawal.

Sec. 356. A domestic credit union may issue shares to and receive deposits from a minor. The minor may withdraw the deposits or shares and any dividends or interest on the deposits or shares. A deposit, investment in a share, or withdrawal under this section by a minor is valid and enforceable and the minor is considered an adult with respect to that deposit, investment, or withdrawal.

History: 2003, Act 215, Eff. June 1, 2004.

490.357 Suspension of services or termination or withdrawal of membership.

Sec. 357. (1) The general manager or chief executive officer of a domestic credit union, or his or her designee, may suspend some or all services to a member, or terminate the membership of any person, that does any of the following:

- (a) Causes a loss to the domestic credit union.
- (b) Commits fraud or another misdeed against the domestic credit union or against a person on the premises of the domestic credit union.
- (c) Engages in inappropriate behavior involving another individual, such as physical or verbal abuse of another member or an employee of the credit union.

(2) A member that has its services suspended or a person that has its membership terminated under subsection (1) may appeal the suspension or termination to the credit union board within 90 days after the date of the suspension or termination. The credit union board has final authority to resolve an appeal under this subsection.

(3) A member may withdraw from a domestic credit union at any time, but the domestic credit union may require a notice of withdrawal from the withdrawing member as a condition of withdrawal.

(4) When money becomes available, and after deducting all amounts owed to the domestic credit union by the member, a domestic credit union shall pay a person whose membership is terminated or that is a withdrawing member any amounts paid on shares or as deposits of the member and any dividends or interest accrued on the shares or deposits before the date of payment.

(5) Unless the withdrawal of a member occurs on a maturity date or within 7 days after a maturity date, a domestic credit union may require that a withdrawing member give a 60-day notice of intention to withdraw shares or a 30-day notice of intention to withdraw deposits. A domestic credit union that requires a notice of intention to withdraw may wait until the expiration of the applicable notice period before complying with subsection (4). A domestic credit union may waive an applicable notice period for a specific member or account in writing.

(6) After a termination or withdrawal under this section, a former member has no rights in a domestic credit union, but the termination or withdrawal does not release the former member from any remaining liability to the domestic 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.