

SENATE BILL No. 502

June 28, 1989, Introduced by Senators CONROY, FESSLER, CHERRY, GEO. HART, V. SMITH, IRWIN, O'BRIEN and FAXON and referred to the Committee on Government Operations.

A bill to amend section 4j of Act No. 285 of the Public Acts of 1925, entitled as amended

"An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions,"

as added by Act No. 278 of the Public Acts of 1986, being section 490.4j of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4j of Act No. 285 of the Public Acts of
2 1925, as added by Act No. 278 of the Public Acts of 1986, being

1 section 490.4j of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 4j. (1) A credit union shall not give preference to
4 any shareowner or depositor by pledging the assets of the credit
5 union as collateral security for purposes of accepting the funds
6 or money of any county, city, village, township, school district,
7 or community college district. A credit union, with written con-
8 sent of the commissioner, may pledge assets of the credit union
9 in an amount not in excess of 10% of its total shares and depos-
10 its for the purpose of securing:

11 (a) Shares or deposits belonging to the United States or
12 belonging to or being administered by an officer, instrumentali-
13 ty, or agent of the United States, shares or deposits of estates
14 being administered by a federal court under federal bankruptcy
15 laws, and any other shares or deposits if required or permitted
16 to do so under the laws of the United States or an order of a
17 federal court.

18 (b) Shares or deposits acquired or made with surplus funds
19 of this state held by the state treasurer.

20 (c) Shares or deposits belonging to the G. MENNEN WILLIAMS
21 Mackinac bridge authority, which is declared to be a political
22 subdivision of this state, pursuant to Act No. 21 of the Public
23 Acts of the Extra Session of 1950, being sections 254.301 to
24 254.304 of the Michigan Compiled Laws.

25 (d) Shares or deposits of the international bridge authori-
26 ty, which is declared to be a political subdivision of this

1 state, pursuant to Act No. 99 of the Public Acts of 1954, being
2 sections 254.221 to 254.240 of the Michigan Compiled Laws.

3 (e) Shares owned or funds on deposit pursuant to Act No. 205
4 of the Public Acts of 1941, being sections 252.51 to 252.64 of
5 the Michigan Compiled Laws, providing for limited access
6 highways.

7 (f) Shares or deposits belonging to the Michigan employment
8 security commission.

9 (g) Shares or deposits acquired or made by the Michigan
10 state housing development authority with funds constituting pro-
11 ceeds of the sale of the authority's notes and bonds and repay-
12 ments of the notes and bonds, pursuant to THE STATE HOUSING
13 DEVELOPMENT AUTHORITY ACT OF 1966, Act No. 346 of the Public Acts
14 of 1966, being sections 125.1401 to 125.1498f of the Michigan
15 Compiled Laws.

16 (2) The requirements, restrictions, and limitations imposed
17 by subsection (1) shall not apply to the pledging of obligations
18 of the United States, direct or fully guaranteed, or both, for
19 the purpose of securing shares or deposits owned by the United
20 States when such shares or deposits are established coinciden-
21 tally with the purchase of obligations of the United States by or
22 through any credit union.

23 Section 2. This amendatory act shall not take effect unless
24 Senate Bill No. 497

25 of the 85th Legislature is enacted into law.