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FINANCIAL INSTITUTIONS: EMERGENCY CLOSINGS

House Bill 6329

Sponsor: Rep. Scott Hummel

Committee: Insurance and Financial
Services

Complete to 9-18-02

A SUMMARY OF HOUSE BILL 6329 AS INTRODUCED 9-17-02

Public Act 232 of 1978, among other things, permits banks and savings and loan associations to suspend business in the event of an existing or impending emergency. The bill would expand the act's provisions to apply to all financial institutions. Under the bill, "financial institution" would mean a nationally, federally, or state chartered bank, savings bank, credit union, or savings and loan association. The bill would make the following changes to the act:

- Replace references to "banks and savings and loan association" with "financial institutions".
- Add a definition for "office" (a place at which a financial institution transacts its business or conducts operations related to its business) and "officer" (a person designated by the board of directors of a bank or association to carry out this act).
- Add "terrorism" to the list of events that may constitute an emergency.
- Delete a provision allowing the governor to authorize banks and associations, in connection with a day of national mourning, rejoicing, or other special observance, to close on a day the governor designates. The commissioner of the Office of Financial and Insurance Services (OFIS) would still have the authority to close financial institutions on a day designated by proclamation of the president of the United States or the governor for such observances.
- Clarify a provision authorizing a designated officer of a financial institution to close one or more offices of the institution if he or she determined that an emergency existed even if the commissioner had not or did not issue a proclamation of emergency.
- Make several nonsubstantive, editorial changes for clarification.

MCL 487.941 et al

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