

MICHIGAN UNIFORM TRANSFERS TO MINORS ACT (EXCERPT)
Act 433 of 1998

554.537 Duties of custodian.

Sec. 17.

(1) A custodian shall do all of the following:

- (a) Take control of custodial property.
- (b) Register or record title to custodial property if appropriate.
- (c) Collect, hold, manage, invest, and reinvest custodial property.

(2) In dealing with custodial property, a custodian shall observe the standard of care that would be observed by a prudent person dealing with property of another. If a custodian has a special skill or expertise or is named custodian on the basis of representations of a special skill or expertise, the custodian shall use that skill or expertise. However, in the custodian's discretion and without liability to the minor or the minor's estate, a custodian may retain any custodial property received from a transferor.

(3) A custodian may invest in or pay premiums on life insurance or endowment policies on the life of the minor only if the minor or the minor's estate is the sole beneficiary, or the life of another person in whom the minor has an insurable interest only to the extent that the minor, the minor's estate, or the custodian in the capacity of custodian is the irrevocable beneficiary.

(4) A custodian at all times shall keep custodial property separate and distinct from other property in a manner sufficient to identify it clearly as custodial property of the minor. Custodial property consisting of an undivided interest is so identified if the minor's interest is held as a tenant in common and is fixed. Custodial property subject to recordation is so identified if it is recorded. Custodial property subject to registration is so identified if it is either registered or held in an account designated in the name of the custodian, followed in substance by the words: "as custodian for _____ (name of minor) under the Michigan uniform transfers to minors act".

(5) A custodian shall keep a record of each transaction with respect to custodial property, including information necessary for the preparation of the minor's tax return, and shall make the records available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor if the minor is at least 14 years of age.

History: 1998, Act 433, Imd. Eff. Dec. 30, 1998