

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.361 Capital; share payments; entrance fee; secondary capital; liability of member for acts, debts, or obligations of domestic credit union; placement of lien on member account.

Sec. 361.

(1) The capital of a domestic credit union consists of the payments that have been made to it by the members for shares. If authorized by the bylaws, a domestic credit union may charge an entrance fee.

(2) If at any time after the effective date of this act a federal credit union is authorized by the federal regulatory authority with jurisdiction and by federal law to utilize 1 or more forms of secondary capital other than capital stock, the commissioner may by rule, order, or declaratory ruling allow a domestic credit union to utilize 1 or more forms of secondary capital other than capital stock. The rule, order, or declaratory ruling must include disclosure requirements concerning the conditions for return of the secondary capital and its liquidation priority.

(3) Unless otherwise provided by law or by agreement between the member and the domestic credit union, a member of a domestic credit union is not liable for the acts, debts, or obligations of the domestic credit union.

(4) Except as provided in this subsection or where prohibited by applicable state or federal law or otherwise agreed by contract, a domestic credit union has a lien on any share of a member, or any deposit account from which a member may withdraw for his or her own benefit without the consent of another person, for any obligation owed to the domestic credit union by that member or for any loan cosigned or guaranteed by that member. A domestic credit union does not have a lien on any individual retirement account or other account permitting tax deferrals or providing other tax benefits under state or federal law. A domestic credit union may refuse to allow a withdrawal from any account on which it has a lien if the member is delinquent in any outstanding obligation to the domestic credit union at the time of the withdrawal.

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