

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.402 Corporate credit union; additional powers.

Sec. 402.

(1) A corporate credit union organized under this act has all of the following powers in addition to the powers granted by this act to all domestic credit unions:

(a) To accept funds, either as shares or deposits, from a domestic, foreign, or alien credit union, whether or not that credit union is a member of the corporate credit union.

(b) To make loans to or investments or deposits in a credit union, whether or not that credit union is a member of the corporate credit union.

(c) To make loans to or place deposits in a bank, savings bank, trust company, or savings and loan association chartered by this state, by another state or territory of the United States, or by the United States.

(d) To place deposits in a bank chartered under the laws of Canada or a member state of the European Union.

(e) To borrow from any source.

(f) To act as a fiscal agent for the United States, a state, or an agency or political subdivision of the United States or a state.

(g) To participate with any other credit union in making loans to its members or to members of the other participating credit union, on the terms and conditions to which the participating credit unions agree.

(h) To purchase, sell, and hold investment securities that are marketable obligations in the form of bonds, notes, or debentures and that are salable under ordinary circumstances. A corporate credit union board shall adopt a written investment policy and the corporate credit union shall make all investments and related contracts and agreements under this subdivision in accordance with that policy.

(i) To contract for penalties for loans paid before their scheduled maturity.

(j) To act as an intermediary of member and credit union funds.

(k) To act as an agent to pay, receive, and transfer assets and liabilities.

(l) To receive and hold securities and other assets.

(m) To provide payment systems services in conjunction with financial institutions or other vendors, or other correspondent services.

(n) To provide services to members involving investments and liquidity management.

(o) To engage in repurchase agreement transactions with broker-dealers.

(p) To purchase, sell, and hold financial derivatives.

(q) To exercise any other power approved by the commissioner by rule, order, or declaratory ruling.

(2) This act does not permit a corporate credit union organized under this act to make or participate in a loan to a natural person that has terms and conditions that would not otherwise be authorized for a loan to a natural person made by another domestic credit union.

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