

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.501 Conduct of business by foreign credit union.

Sec. 501.

(1) A foreign credit union, other than a federal credit union, may conduct business as a credit union in this state only with the written approval of the commissioner. The commissioner shall not grant approval unless the commissioner finds that the foreign credit union meets all of the following requirements:

(a) The credit union is organized under a law similar to this act.

(b) The credit union is financially solvent.

(c) The credit union has insurance through an agency of the federal government of member share and deposit accounts.

(d) The credit union is examined and supervised by the supervisory authority of the state or territory in which it is organized.

(e) The credit union conducts business in this state to adequately serve its members in this state.

(2) The commissioner shall not grant approval under subsection (1) unless the foreign credit union agrees in writing as a condition of the approval to do all of the following:

(a) To charge a rate of interest that does not exceed any rate of interest permitted by the credit reform act, 1995 PA 162, MCL 445.1851 to 445.1864, for a loan in this state by a domestic credit union.

(b) Comply with the same consumer protection laws that a domestic credit union must comply with when making a loan or providing other services in this state. For purposes of this subdivision, a loan is made in this state if any person, other than a guarantor, while physically in this state, signed the loan agreement setting forth the terms and conditions of any obligation created or to be created under the agreement. For purposes of this subdivision, a service other than a loan is provided in this state if a person does not physically travel out of this state to obtain the service or if an agreement to provide the service is signed by a person in this state.

(c) Designate and maintain an agent for the service of process in this state.

(d) File any reports required by the commissioner.

(e) Allow the commissioner to conduct an examination, if necessary, to the same extent as the commissioner is authorized to conduct examinations of domestic credit unions under article 2.

(f) Meet any other requirements that the commissioner requires of domestic credit unions under this act.

(3) The commissioner shall not grant approval under subsection (1) if the state or territory in which the credit union is organized does not permit credit unions organized in this state to do business in that state or territory.

(4) This section does not exempt a foreign credit union from complying with the laws of this state to the extent compliance is otherwise required.

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