



HOUSE BILL No. 5299

February 3, 2000, Introduced by Rep. Thomas and referred to the Committee on Insurance and Financial Services.

A bill to amend 1925 PA 285, entitled

"An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions,"

(MCL 490.1 to 490.31) by adding section 31a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 31A. (1) AS USED IN THIS SECTION:

2 (A) "ATM" MEANS AN ELECTRONIC DEVICE SITUATED IN MICHIGAN
3 OWNED, OPERATED, OR LEASED BY A CREDIT UNION, OTHER THAN A TELE-
4 PHONE, FACSIMILE MACHINE, OR PERSONAL COMPUTER OPERATED BY A
5 CONSUMER, THROUGH WHICH A CONSUMER INITIATES AN ELECTRONIC FUND

1 TRANSFER. THE TERM DOES NOT INCLUDE A POINT-OF-SALE TERMINAL
2 USED EXCLUSIVELY TO PAY FOR A PURCHASE OF GOODS OR SERVICES BY
3 TRANSFERRING FUNDS ELECTRONICALLY FROM A CONSUMER'S CREDIT CARD
4 ARRANGEMENT OR DEPOSIT ACCOUNT AT A FINANCIAL INSTITUTION TO THE
5 TERMINAL PROVIDER'S ACCOUNT AT A FINANCIAL INSTITUTION OR A
6 DEVICE LOCATED ON THE PREMISES OF A CUSTOMER OF A FINANCIAL
7 INSTITUTION THAT IS USED TO EXECUTE TRANSACTIONS ONLY BETWEEN
8 THAT CUSTOMER AND THE FINANCIAL INSTITUTION.

9 (B) "CONSUMER" MEANS AN INDIVIDUAL.

10 (C) "CREDIT CARD" MEANS A CARD OR DEVICE ISSUED UNDER A
11 CREDIT CARD ARRANGEMENT THAT GIVES THE CARDHOLDER THE PRIVILEGE
12 OF OBTAINING LOANS FROM THE CARD ISSUER.

13 (D) "CREDIT CARD ARRANGEMENT" MEANS A LINE OF CREDIT ISSUED
14 BY A FINANCIAL INSTITUTION TO A CONSUMER, WHICH LINE OF CREDIT
15 MAY BE ACCESSED FOR THE PURPOSE OF OBTAINING A LOAN BY MEANS OF A
16 CREDIT CARD.

17 (E) "ELECTRONIC FUND TRANSFER" MEANS ANY TRANSACTION CON-
18 DUCTED BY A CONSUMER USING AN ATM THAT INSTRUCTS OR AUTHORIZES A
19 FINANCIAL INSTITUTION TO DEBIT OR CREDIT THE CONSUMER'S DEPOSIT
20 ACCOUNT OR CREDIT CARD ARRANGEMENT.

21 (F) "FINANCIAL INSTITUTION" MEANS A STATE OR NATIONAL
22 CHARTERED BANK OR A STATE OR FEDERAL CHARTERED SAVINGS AND LOAN
23 ASSOCIATION, SAVINGS BANK, OR CREDIT UNION.

24 (G) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, ASSOCIATION,
25 PARTNERSHIP, GOVERNMENTAL ENTITY, OR ANY OTHER LEGAL ENTITY.

26 (2) IF A CREDIT UNION ASSESSES OR IMPOSES A FEE OR CHARGE
27 FOR AN ELECTRONIC FUND TRANSFER, PRIOR TO COMPLETION OF THE

1 TRANSFER, THE CREDIT UNION SHALL NOTIFY THE CONSUMER ATTEMPTING
2 THE TRANSFER OF THE FEE OR CHARGE AND ITS AMOUNT, AND SHALL PRO-
3 VIDE THE CONSUMER AN OPPORTUNITY TO CANCEL THE INCOMPLETE TRANS-
4 ACTION WITHOUT INCURRING THE FEE OR CHARGE.

5 (3) THE NOTICE REQUIRED BY SUBSECTION (2) SHALL BE DISPLAYED
6 ON THE ATM SCREEN UNTIL 1 OF THE FOLLOWING OCCURS:

7 (A) THE CONSUMER CANCELS THE TRANSACTION.

8 (B) THE CONSUMER PROCEEDS WITH THE TRANSACTION.

9 (C) THIRTY SECONDS HAVE ELAPSED, AT WHICH TIME THE TRANSAC-
10 TION SHALL BE CANCELED AUTOMATICALLY, WITHOUT CHARGE TO THE CON-
11 SUMER, AND THE SCREEN CLEARED.

12 (4) A CREDIT UNION REQUIRED TO DISCLOSE FEES OR CHARGES
13 UNDER SUBSECTION (2) SHALL ALSO NOTIFY A CONSUMER OF ANOTHER
14 FINANCIAL INSTITUTION ATTEMPTING AN ELECTRONIC FUND TRANSFER THAT
15 HIS OR HER FINANCIAL INSTITUTION OR CREDIT CARD ISSUER MAY ASSESS
16 AN ADDITIONAL FEE FOR THE ELECTRONIC FUND TRANSFER.

17 (5) THE PROVISION OF A NOTICE IN COMPLIANCE WITH ANY FEDERAL
18 REGULATION REGARDING ATM FEES SHALL BE CONSIDERED COMPLIANCE WITH
19 THIS SECTION, EXCEPT THAT THE DISCLOSURES REQUIRED UNDER THAT
20 REGULATION SHALL BE DISPLAYED ON THE ATM SCREEN.