

FINANCIAL INSTITUTIONS: EMERGENCY CLOSING

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House Bill 4976

Sponsor: Rep. Jeff Mayes

Committee: Banking and Financial Services

Complete to 1-17-06

A SUMMARY OF HOUSE BILL 4976 AS INTRODUCED 6-21-05

Public Act 232 of 1978, among other things, permits banks and savings and loan associations to suspend business in the event of an existing or impending emergency. The bill would expand the act's provisions to apply to other financial institutions. Under the bill, "financial institution" would mean a state chartered bank, savings bank, credit union, or savings and loan association over which the commissioner of the Office of Financial and Insurance Services (OFIS) has regulatory authority. The bill would make the following changes to the act:

- Replace references to "banks and savings and loan associations" with "financial institutions."
- Revise the definitions of "office" (a place at which a financial institution transacts its business or conducts operations related to its business) and "officer" (a person designated by the board of directors of a financial institution to carry out this act).
- Add "terrorist attack" to the list of events that may constitute an emergency.
- Delete a provision allowing the governor to authorize banks and associations, in connection with a day of national mourning, rejoicing, or other special observance, to close on a day the governor designates. The commissioner of the OFIS would still have the authority to close financial institutions on a day designated by the president of the United States or the governor for such observances.
- Clarify a provision authorizing a designated officer of a financial institution to close or not to open one or more offices of the institution if he or she determined that an emergency existed even if the commissioner had not made such a determination.
- Add a provision that a financial institution that closes or does not open an office or offices under an emergency determination would reopen as soon as the chief executive officer (CEO) or other designated officer determines that the emergency has ended or as authorized by the commissioner of OFIS.

- Make several non-substantive, editorial changes for clarification.

MCL 487.941 et al.

FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government.

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