SUSPENSION OF BUSINESS OF BANKS AND SAVINGS AND LOAN ASSOCIATIONS

Act 232 of 1978

AN ACT to permit financial institutions to suspend business in the event of an existing or impending emergency; to prescribe the powers and duties of financial institution officers and certain state agencies and officials; and to declare the legal effect of the suspensions of business authorized by this act.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006

The People of the State of Michigan enact:

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487.941 Definitions.

Sec. 1.

As used in this act:

(a) "Commissioner" means the commissioner of the office of financial and insurance services in the department of labor and economic growth.

(b) "Emergency" means a condition or occurrence that has or may, directly or indirectly, interfere physically with the conduct of normal business operations of 1 or more offices of a financial institution, or which poses an imminent or existing threat to the safety and security of a person or property, or both. An emergency may arise as a result of a fire, flood, earthquake, hurricane, tornado, wind, rain, snowstorm, labor dispute or strike, power failure, transportation failure, fuel shortage, interruption of a communication facility, shortage of housing or food, robbery or attempted robbery, actual or threatened enemy or terrorist attack, epidemic or other catastrophe, riot, civil commotion, or any other act of lawlessness or violence.

(c) "Financial institution" means a state chartered bank, savings bank, credit union, or savings and loan association over which the commissioner has regulatory authority for purposes of this act.

(d) "Office" means a place at which a financial institution transacts its business or conducts operations related to its business.

(e) "Officer" means a person designated by the board of directors of a financial institution to carry out this act.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006

487.942 Authorizing or ordering financial institutions to close offices because of existing or impending emergency; duration; advising governor; authorization to close financial institution on day of national mourning, rejoicing, or other special observance.

Sec. 2.

(1) The commissioner may authorize or order a financial institution to close an office or offices if the commissioner determines that the action is required because an emergency exists or may be impending. The office or offices closed shall remain closed until the commissioner determines that the emergency is ended and authorizes or orders the financial institution to open the office or offices. The commissioner shall promptly advise the governor of the issuance of a determination under this subsection.

(2) The commissioner may authorize a financial institution to close on a day designated by proclamation of the president of the United States or the governor of this state as a day of national mourning, rejoicing, or other special observance.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006

487.943 Determination not to open or to close office of financial institution during emergency.

Sec. 3.

If the commissioner has not made a determination under section 2(1) and the chief executive officer of a financial institution or another officer designated by the financial institution for purposes of this act determines that an emergency exists or is impending, the officer may order that an office or offices of the financial institution be closed or not open.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006

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487.944 Notice of closing.

Sec. 4.

(1) A financial institution closing or not opening an office or offices under section 3 shall give notice to the commissioner and any other appropriate governmental entity as required by law.

(2) A financial institution that closes or does not open an office or offices under section 3 shall reopen the office or offices as soon as the chief executive officer or other designated officer determines that the emergency is ended or as authorized or ordered by the commissioner.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006

487.945 Period financial institution closed as legal holiday.

Sec. 5.

The period during which a financial institution is closed under this act is a legal holiday.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006

487.946 Obligations to employees not altered.

Sec. 6.

This act does not alter any of the obligations under law of a financial institution to its employees or to the employees of another employer.

History: 1978, Act 232, Imd. Eff. June 14, 1978 ;-- Am. 2006, Act 134, Imd. Eff. May 12, 2006