

SALE OF CHECKS ACT (EXCERPT)
Act 136 of 1960

487.910 Conducting business at one or more locations; license not required for employee, agent, or representative; charges or fees; refund of unredeemed check; redemption forms; identification; investments; definition.

Sec. 10. (1) Each licensee may conduct business at one or more locations within this state and through or by means of such employees, agents, or representatives as the licensee may designate and appoint from time to time. A license under this act shall not be required of any employee, agent, or representative who is acting for or on behalf of a licensee in the sale of checks of which the licensee is the issuer.

(2) A licensee or any other person shall not contract for, receive, impose, assess, or collect any charge or fee on any check sold pursuant to this act other than the charge or fee, if any, imposed and collected at the time the check is issued by the licensee or its agent, except as provided in this subsection. A licensee may charge a fee which is incidental to, and reasonably related to the cost of, stopping payment or replacing or tracing a lost check. A licensee may charge a fee for presentment of a check more than 36 months following the sale of the check. Unless an agent has reasonable cause to believe that the bearer of a check is engaging in fraud or deception, an agent shall refund the full face amount of any unredeemed check purchased at the agent's location within 30 days of the date the check was sold. This provision shall not require an agent to refund a check if the negotiable portion of the check and all original copies are not submitted by the bearer. Unless a redemption form is provided by the agent at the time of purchase, each agent shall maintain a supply of redemption forms provided by the licensee which shall be made available to any person seeking a refund of a check that is not refunded by the agent under this subsection. A licensee shall refund the full face amount of any unredeemed check it issued within 30 calendar days after the check or portions of the check are presented to the licensee with a completed redemption form. A licensee may charge a fee that is reasonably related to the licensee's costs for refunding a check more than 2 years after the date the check was sold. A licensee is not required to refund a check under this subsection if the licensee has reasonable cause to believe that the person seeking the refund is engaging in fraud or deception. An agent or licensee may require satisfactory identification from a person seeking a refund on a check.

(3) Money from the proceeds of checks sold by licensees pursuant to this act may be invested only in permissible investments. As used in this subsection, "proceeds" means the face amount of the checks sold.

History: 1960, Act 136, Eff. Jan. 1, 1961;—Am. 1986, Act 275, Imd. Eff. Dec. 19, 1986.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at § 445.2003 of the Michigan compiled laws.