

**SAVINGS AND LOAN ACT OF 1980 (EXCERPT)**  
**Act 307 of 1980**

**491.306 Approval of application; notice; authorization to proceed; conditions of approval.**

Sec. 306. (1) When an application to organize an association is approved, the supervisor shall promptly advise the organizers of the approval of their application and shall authorize them to proceed to incorporate by complying with this act and by satisfying those conditions of approval determined by the supervisor to be consistent with this act and appropriate to reasonably assure initial successful organization of the association, the safety and soundness of its operations, and the protection of the public interest.

(2) The conditions of the supervisor's approval of the application shall include the following:

(a) That a minimum amount specified by the supervisor shall be paid to an organizational expense fund in cash by the organizers, within 30 days after the approval to guarantee payment of all organizational expenses incurred or expected to be incurred.

(b) In the case of a mutual association, that an aggregate minimum dollar amount and number of savings accounts shall be subscribed for and paid in cash.

(c) In the case of a stock association, that a satisfactory plan shall be adopted and filed with the supervisor to provide for the offering of, subscription for, and payment of minimum dollar amounts of stated capital, and capital in excess of par, necessary to permit the commencement of operations.

(d) That the savings deposits of the association shall be insured by the federal savings and loan insurance corporation.

(e) That satisfactory provision shall be made for fair and equitable policies and procedures governing lending operations, for adequate physical facilities in which to conduct operations and secure records and assets, for adequate staff personnel, and for an adequate accounting system to serve record keeping and reporting functions.

**History:** 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987.