

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

**491.422 Transfer or registration of transfer of share or other security of stock association; restriction; enforcement.**

Sec. 422. (1) A restriction on the transfer or registration of transfer of a share or other security of a stock association may be imposed either by its articles of incorporation or its bylaws, or by an agreement among any members or among members and the corporation. A restriction so imposed is not binding with respect to shares or securities issued before adoption of the restriction unless the members are parties to an agreement or voted in favor of the restriction.

(2) A written restriction on the transfer or registration of transfer of a share or other security of a stock association, if noted conspicuously on the instrument, may be enforced against a member or a successor or transferee of the member including an executor, administrator, trustee, guardian, or other fiduciary entrusted with similar responsibility for the person or estate of the member. Unless noted conspicuously on the instrument, a restriction is ineffective except against a person with actual knowledge of the restriction.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.