

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

491.510 Deposit of securities with state treasurer as security for trust creditors of association; safekeeping receipt; consideration by court; certificate; interest and income; disposition of securities upon liquidation of association, appointment of receiver, or pursuant to plan of reorganization.

Sec. 510. (1) Before an association may commence exercising trust powers, the association shall deposit with the state treasurer securities of a value equal to not less than \$500,000.00, which shall be obligations of the United States, obligations which are guaranteed fully as to principal and interest by the United States, general obligations of this state or of a political subdivision of this state, or other securities approved by the supervisor. The securities so deposited shall be held by the state treasurer in trust as security for the trust creditors of the association. The state treasurer may accept instead of the actual deposit of the securities a safekeeping receipt from a qualified depository institution designated by the state treasurer, which safekeeping receipt shall acknowledge the possession of the securities and that they are held subject only to the order of the state treasurer. The existence of the deposit of securities and the amount of the deposit shall be considered by a court in connection with the requirement of the court with respect to the giving of security by the association for the discharge of the association's obligations in the execution of the office of executor, administrator, personal representative, trustee, receiver, or assignee, or guardian of a minor, incompetent person, mental incompetent, or a person subject to guardianship. Upon the deposit being made, the state treasurer shall issue a certificate of that fact, and securities or the safekeeping receipts equal in value, to be determined by the supervisor, shall remain on deposit in the state treasury. The state treasurer shall pay over to an association, as soon as collected, the interest and income received on the securities deposited or the state treasurer shall authorize the association to collect the interest and income for the benefit of the association.

(2) If an association goes into liquidation in the manner prescribed by this act, the deposit of securities shall be returned by the state treasurer to the liquidating committee or liquidating agent appointed for the association to be applied as directed by the supervisor. If a receiver is appointed, the deposit of securities shall be returned to the receiver to be applied as the circuit court may order. If pursuant to a plan of reorganization the deposit of securities is assigned by the association to a liquidating committee, liquidating trustees, or liquidating agents, or if the securities are to be liquidated by the association itself, upon written order of the supervisor, the deposit of securities shall be returned to the liquidating committee, liquidating trustees, liquidating agents, or association, to be applied under the direction of the supervisor.

History: Add. 1981, Act 114, Imd. Eff. July 17, 1981.