

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

CREDIT UNIONS

(By authority conferred on the director of the Department of Insurance and Financial Services by section 206 of 2003 PA 215, MCL 490.206; 1969 PA 306, MCL 24.201 to 24.328; E.R.O. No. 2003-1, MCL 445.2011; E.R.O. No. 2008-1, MCL 445.2005; E.R.O. No. 2008-3, MCL 445.2025; E.R.O. No. 2011-4, MCL 445.2030; and E.R.O. No. 2013-1, MCL 550.991)

R 490.1 Rescinded.

History: 1979 AC; 1981 AACS; 1987 AACS; 1995 AACS; 2005 AACS.

R 490.2 Rescinded.

History: 1987 AACS; 1995 AACS; 2005 AACS.

R 490.4 Rescinded.

History: 1995 AACS; 2005 AACS.

R 490.5 Rescinded.

History: 1979 AC; 1980 AACS; 1987 AACS; 1995 AACS; 2005 AACS.

R 490.6 Rescinded.

History: 1980 AACS; 1987 AACS; 1995 AACS; 2005 AACS.

R 490.9 Rescinded.

History: 1980 AACS; 1995 AACS.

R 490.10 Rescinded.

History: 1980 AACS; 1987 AACS; 1995 AACS; 2005 AACS.

R 490.11 Rescinded.

History: 1979 AC; 1980 AACS.

R 490.11a Rescinded.

History: 1987 AACS; 2005 AACS.

R 490.12 Rescinded.

History: 1987 AACS; 1995 AACS; 2005 AACS.

R 490.15 Rescinded.

History: 1979 AC; 1980 AACS.

R 490.15a Rescinded.

History: 1987 AACS; 1995 AACS; 2005 AACS.

R 490.16 Rescinded.

History: 1987 AACS; 1995 AACS; 2005 AACS.

R 490.17 Rescinded.

History: 1987 AACS; 1995 AACS; 2005 AACS.

R 490.21 Rescinded.

History: 1980 AACS; 1987 AACS.

R 490.22 Rescinded.

History: 1980 AACS; 1987 AACS.

R 490.23 Rescinded.

History: 1980 AACS; 1987 AACS.

R 490.24 Rescinded.

History: 1979 AC.

R 490.25 Rescinded.

History: 1979 AC; 1987 AACS.

R 490.31 Rescinded.

History: 1980 AACS; 1987 AACS.

R 490.41 Rescinded.

History: 1980 AACS; 1987 AACS; 2005 AACS.

R 490.51 Rescinded.

History: 1979 AC; 1995 AACS; 2005 AACS.

R 490.52 Rescinded.

History: 1979 AC; 1987 AACS; 1995 AACS; 2005 AACS.

R 490.81 Rescinded.

History: 1979 AC; 2005 AACS.

R 490.82 Rescinded.

History: 1979 AC; 1980 AACS; 2005 AACS.

R 490.94 Rescinded.

History: 1981 AACS; 1995 AACS; 2005 AACS.

R 490.95 Rescinded.

History: 1981 AACS; 2005 AACS.

R 490.96 Rescinded.

History: 1981 AACCS; 2005 AACCS.

R 490.97 Rescinded.

History: 1981 AACCS; 2005 AACCS.

R 490.98 Rescinded.

History: 1981 AACCS; 2005 AACCS.

R 490.99 Rescinded.

History: 1981 AACCS; 1995 AACCS; 2005 AACCS.

R 490.101 Rescinded.

History: 1981 AACCS; 1987 AACCS.

R 490.102 Rescinded.

History: 1981 AACCS; 1987 AACCS.

R 490.103 Rescinded.

History: 1981 AACCS; 1987 AACCS.

R 490.104 Rescinded.

History: 1981 AACCS; 1987 AACCS.

R 490.105 Rescinded.

History: 1981 AACCS; 1987 AACCS.

R 490.111 Definitions.

Rule 1. (1) As used in these rules:

(a) "Act" means 2003 PA 215, MCL 490.101 to 490.601, and any amendments thereto.

(b) "Delinquent loan" means a loan on which the aggregate of payments made is less than the aggregate of principal and interest due under the terms of the loan.

(c) "Obligation" means a loan or a group of loans or an installment contract or a group of installment contracts on which the interest is computed on the basis of unpaid balances.

(d) "Months delinquent" means the number of whole months that have elapsed since a payment or partial payment has become due and remains unpaid. All payments or partial payments made shall apply successively to the first occurring payment that has become due and remains unpaid. The original terms of the promissory note or extension agreement, including loans in bankruptcy or judgment proceedings, are to be used for the purpose of calculating months delinquent.

(2) Terms defined in the act have the same meanings when used in these rules.

History: 2005 AACS.

R 490.112 Corporate credit union; issuance of different classes of shares; priorities upon liquidation; investment in interest rate risk management instruments.

Rule 2. (1) A corporate credit union may issue different classes of shares that have different priorities upon liquidation, provided the commissioner approves before issue the characteristics of the subordinated shares. Shares subordinated to insured shares and the deposit insurer may be considered a form of capital.

(2) A corporate credit union may, with prior approval of the board of directors and consistent with safe and sound business practices, invest in interest rate risk management instruments for the sole purpose of managing interest rate risk.

History: 2005 AACS.

R 490.113 Rescinded.

History: 2005 AACS; 2013 AACS.

R 490.114 Rescinded.

History: 2005 AACS; 2013 AACS.

R 490.115 Overdrafts.

Rule 5. A credit union that issues a check or draft on a financial institution in excess of the balance of its demand deposit account in that institution then shown on the books of the credit union shall be considered to be operating in an unsafe and unsound manner unless all of the following conditions are satisfied:

(a) The excess is not more than the unused portion of the current line-of-credit agreements between the credit union and the institution.

(b) The line-of-credit agreement expressly provides that it will apply to cover overdrafts by the credit union.

(c) The board of directors of the credit union has approved the line-of-credit agreement.

History: 2005 AACCS.

R 490.116 Delinquent loans.

Rule 6. (1) A credit union shall maintain a monthly delinquent loan report reflecting all loans that are at least 1 month delinquent. The report shall contain, at a minimum, all of the following information with respect to the borrower:

(a) Name.

(b) Account number.

(c) Loan balance.

(d) Number of months delinquent.

(e) Any other information determined necessary by the board of directors to determine the condition of the loan.

(2) The application of proceeds from a liquidation of collateral to a delinquent loan by a credit union shall reduce the balance due, but not the months delinquent, of that loan.

History: 2005 AACCS.

R 490.117 Rescinded.

History: 2005 AACCS; 2013 AACCS.

R 490.118 Rescinded.

History: 2005 AACCS; 2013 AACCS.