

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2548 Loan, guaranty, or assistance by corporation for officer or employee.

Sec. 548.

(1) Unless otherwise prohibited by law or prohibited in the articles of incorporation or bylaws, a corporation may lend money to, guarantee an obligation of, or otherwise assist an officer or employee of the corporation or a subsidiary, including an officer or employee who is a director of the corporation or subsidiary, if in the judgment of the board, the loan, guaranty, or assistance is reasonably expected to benefit the corporation, or the loan, guaranty, or assistance is provided under a plan authorizing loans, guaranties, or assistance that the board has reasonably determined will benefit the corporation.

(2) A loan, guaranty, or assistance described in subsection (1) may be with or without interest, and may be unsecured, or secured in a manner that the board approves, including a pledge of shares of stock of a corporation that is organized on a stock basis or pledge of a membership in a corporation that is organized on a membership basis.

(3) This section does not deny, limit, or restrict the powers of guaranty or warranty of a corporation at common law or under any statute.

History: 1982, Act 162, Eff. Jan. 1, 1983 ;-- Am. 2008, Act 222, Imd. Eff. July 16, 2008 ;-- Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015