

BANKING CODE OF 1999 (EXCERPT)
Act 276 of 1999

487.12106 Commissioner, deputy commissioner, or examiner; prohibited conduct.

Sec. 2106.

(1) During his or her term of office or employment, the commissioner, a deputy commissioner, or an examiner of the bureau shall not be a shareholder, either directly or indirectly, of a financial institution, a national bank, federal savings and loan association, or federal savings bank that maintains a main office or branch office in this state, or of any affiliate or subsidiary thereof. The commissioner, a deputy commissioner, or an examiner of the bureau may be a shareholder of a credit union, a mutual savings and loan association, or a mutual savings bank.

(2) During his or her term of office or employment, the commissioner, a deputy commissioner, or an examiner of the bureau shall not be an officer, director, or employee of a financial institution, or of a depository institution, or of any affiliate or subsidiary thereof or receive, either directly or indirectly, anything of value, or other compensation from such entities.

(3) If a deputy commissioner or an examiner of the bureau borrows from, or is or becomes indebted to a financial institution, he or she shall make a written report to the bureau stating the name of the lender, the amount and terms of the loan or indebtedness, the security given on the loan, and the purpose for which the proceeds are to be used.

(4) A deputy commissioner or an examiner of the bureau shall not borrow from or become indebted to a financial institution for which the deputy commissioner or examiner has direct supervisory responsibility, or from a subsidiary or affiliate of such a financial institution, except for installment debt transferred to a financial institution in the regular course of business by a seller of consumer goods. An examiner shall not borrow from or become indebted to a financial institution if the examiner has ever participated in an examination of the financial institution.

(5) The commissioner shall not borrow from or become indebted to a financial institution except for installment debt transferred to a financial institution in the regular course of business by a seller of consumer goods.

(6) Subsections (4) and (5) do not apply to loans made or indebtedness incurred before the commissioner's, deputy commissioner's, or examiner's term of office or made or incurred lawfully before the effective date of this act. If a loan received or indebtedness incurred in conformance with this act subsequently becomes nonconforming due to an event outside the commissioner's, deputy commissioner's, or examiner's control, the loan or indebtedness may be retained. Neither the term nor the amount of a nonconforming loan or indebtedness described in this subsection shall be increased following the event which made the loan or indebtedness nonconforming.

History: 1999, Act 276, Eff. Mar. 1, 2000

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.