

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.376 Conversion of foreign credit union into domestic credit union.

Sec. 376.

(1) A foreign credit union may convert to a domestic credit union if all of the following are met:

(a) The foreign credit union complies with the applicable law under which it is chartered for a conversion under that law.

(b) The credit union board files a certificate of organization with the commissioner, approved and executed in triplicate by a majority of the credit union board.

(c) After executing the certificate of organization, a majority of the directors adopt bylaws for the governance of the credit union consistent with this act and execute any other agreements or documents and take any other action required to complete the conversion.

(d) After an examination of the credit union and the proceedings of the directors and members concerning the conversion, the commissioner approves of the certificate of organization filed under subdivision (b).

(e) If the commissioner approves the certificate of organization, the commissioner shall notify the applicants of the commissioner's decision and shall immediately issue a certificate of approval attached to the duplicate certificate of organization and return it to the credit union. The certificate shall indicate that the conversion complies with the laws of this state and that after conversion the credit union and all its members, officers, and employees have the same rights, powers, and privileges and are subject to the same duties, liabilities, and obligations that apply to domestic credit unions under this act.

(2) The credit union shall pay the expenses of the examination described in subsection (1)(d), in an amount established by the commissioner. The amount paid for the examination is not refundable.

(3) If the commissioner approves a conversion, the credit union shall pay an operating fee determined under section 201, on a prorated basis for the operating fee period in which the conversion becomes effective. The date that the conversion becomes effective is the basis for calculating the proration.

(4) If a conversion becomes effective under this section, the converted domestic credit union is a continuation of the converting foreign credit union and all the property and interests in property and every cause of action, right, privilege, interest, and asset of the converting foreign credit union is immediately and without any conveyance, transfer, or other action vested in the converted domestic credit union. Every right, obligation, and relationship of the converting foreign credit union to or in respect to any person, estate, creditor, member, depositor, trust, trustee, collective bargaining agreement, or beneficiary of any trust or fiduciary function continue unimpaired. The converted domestic credit union shall continue to hold all the rights, obligations, relationships, and trusts, and the duties and liabilities connected with them, and shall execute and perform each and every trust and relationship in the same manner as if it had after the conversion assumed the trust or relationship and obligations and liabilities connected with the trust or relationship.

(5) Any directors of the foreign credit union converting to a domestic credit union under this section that meet the criteria described in section 341(8) may continue as directors of the domestic credit union.

History: 2003, Act 215, Eff. June 1, 2004