

Act No. 200
Public Acts of 1988
Approved by the Governor
June 29, 1988
Filed with the Secretary of State
June 29, 1988

**STATE OF MICHIGAN
84TH LEGISLATURE
REGULAR SESSION OF 1988**

Introduced by Rep. Griffin

ENROLLED HOUSE BILL No. 5115

AN ACT to amend sections 30, 129, 130, 135, 151, 151h, 154, 157, 159, 171, 172, and 217 of Act No. 319 of the Public Acts of 1969, entitled as amended "An act to revise and codify the laws relating to banks, industrial banks, foreign banks, trust companies and safe and collateral deposit companies; to provide for their incorporation, regulation, and supervision; to create, within the department of commerce, a financial institutions bureau and to prescribe its powers and duties; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts," sections 30, 135, 151, 154, 159, and 171 as amended and section 172 as added by Act No. 177 of the Public Acts of 1985, sections 129 and 130 as amended by Act No. 104 of the Public Acts of 1987, and section 151h as added by Act No. 104 of the Public Acts of 1987, being sections 487.330, 487.429, 487.430, 487.435, 487.451, 487.451h, 487.454, 487.457, 487.459, 487.471, 487.472, and 487.517 of the Michigan Compiled Laws; to add sections 11a and 11b; and to repeal certain parts of this act.

The People of the State of Michigan enact:

Section 1. Sections 30, 129, 130, 135, 151, 151h, 154, 157, 159, 171, 172, and 217 of Act No. 319 of the Public Acts of 1969, sections 30, 135, 151, 154, 159, and 171 as amended and section 172 as added by Act No. 177 of the Public Acts of 1985, sections 129 and 130 as amended by Act No. 104 of the Public Acts of 1987, and section 151h as added by Act No. 104 of the Public Acts of 1987, being sections 487.330, 487.429, 487.430, 487.435, 487.451, 487.451h, 487.454, 487.457, 487.459, 487.471, 487.472, and 487.517 of the Michigan Compiled Laws, are amended and sections 11a and 11b are added to read as follows:

Sec. 11a. This act shall be implemented by the commissioner to maximize the capacity of banks in this state to offer convenient and efficient financial services, to promote economic development, and to ensure that banks remain competitive with other types of financial institutions.

Sec. 11b. Nothing in this amendatory act shall grant the commissioner the authority to authorize banks to engage in the sale or service of insurance.

Sec. 30. (1) Except with respect to rules promulgated under section 19, a cease and desist order made under sections 35 to 46, and an order made on an application seeking approval of the commissioner under section 53, 54, 121, 125, 130b, 141, 142, 144, 151(30), 151h(3), 157, 171, 172, or 173, an institution or an interested party who is dissatisfied with an order, ruling, or finding issued by the commissioner may request a reconsideration of the order, ruling, or finding within 10 days after the issuance of the order, ruling, or finding. Within 30 days after the receipt of a written request for reconsideration, the commissioner shall set the matter down for a formal hearing unless a formal hearing has been held before the issuance of the order, ruling, or finding. The commissioner may conduct a formal hearing before the issuance of an order, ruling, or finding.

(2) A hearing held under subsection (1) shall be conducted pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(3) The commissioner shall require an entity making an application under section 53, 54, 121, 125, 130b, 141, 142, 144, 151(30), 151h(3), 157, 171, 172, or 173 to give notice of the application by publication. The applicant, within 10 days after the filing of an application, shall cause notice to be published in a newspaper or newspapers of general circulation in the community or communities in which the bank, branch, state agency, or additional office of a state agency, is to be located and, if required by rule of the commissioner, in which the bank, banks, bank holding company, or state agency involved in the subject application are located. Publication shall be 1 time per week for 2 consecutive weeks in the form prescribed by the commissioner. Proof of publication shall be filed with the commissioner within 10 days after the date of the second publication of notice.

(4) An institution or other interested party who desires to protest the application shall file a written notice of protest with the commissioner and with the applicant within 10 days after the date of the second publication of notice. Within 30 days after the date of the second publication of notice, an institution or other interested party who has filed a written notice of protest shall file with the commissioner and with the applicant, a written statement setting forth all of the following:

(a) A list of specific items in the application which are the basis for the protest and an explanation of the reasons for the protest.

(b) A statement of the facts supporting the reasons for the protest including economic and financial data.

(c) A request for oral argument if desired.

(5) The applicant, within 40 days after the date of the second publication of notice, may file with the commissioner and with the parties which have filed written notice of protest, written material in response to the written statement and may request oral argument before the commissioner if oral argument has not been requested by an institution or other interested party who has filed a written notice of protest.

(6) Oral argument may be held in the commissioner's discretion if neither the applicant nor an interested party requests oral argument.

(7) An oral argument, if scheduled as provided in this section, shall be held within 55 days after the date of the second publication of notice.

(8) Only the applicant and those interested parties who have filed written statements under subsection (4) may participate in the oral argument. Oral argument may be made by each party or by an authorized representative. Oral argument shall be limited to issues raised in the materials submitted in connection with the application and the protest. One hour shall be permitted to each participant other than the applicant for oral argument. The applicant shall have as much time as all other participants have been permitted. The commissioner shall cause a stenographic record of the oral argument to be made, with costs to be allocated equally among the parties requesting oral argument unless otherwise provided by rule of the commissioner.

(9) The commissioner shall issue an order within 100 days after the filing of the application. If an application is denied, or if a protested application is approved, the commissioner shall provide a detailed written explanation of the basis of the commissioner's decision. Appeal of an order shall not be made by a party without first requesting a reconsideration of the order under subsection (10).

(10) The applicant or an interested party who filed written statements under subsection (4) and who participated in the oral argument, if held, who is dissatisfied with an order of the commissioner, within 5 days after the issuance of the order, may file with the commissioner a written request for reconsideration of the order stating the reasons for the request. The commissioner, within 10 days, shall render a decision on the request for reconsideration. If a petition for reconsideration is granted, the commissioner shall grant the applicant and all interested parties 10 days to file written arguments or briefs. The commissioner may conduct an oral argument after granting a petition for reconsideration. The argument shall be held within 10 days after granting the petition. The commissioner shall issue a final order within 20 days after granting the petition for reconsideration.

(11) The commissioner may promulgate rules pursuant to Act No. 306 of the Public Acts of 1969, as amended, to provide the application procedure. The rules shall be consistent with this section.

Sec. 129. (1) Subject to the requirements, restrictions, and limitations of section 171, any consolidated bank or national banking association resulting from a consolidation under section 125, and any bank or national banking association which purchases the assets of a bank, association, or national banking association as provided for in section 121 may establish and operate as a branch or branches the acquired organization or organizations or any organization which sells its assets to another bank or national banking association as provided for in section 121.

(2) Notwithstanding the provisions of subsection (1) and section 171, any consolidated bank resulting from the consolidation of a bank and a stock association under section 125, and any bank which purchases the assets of an association as provided for in section 121 may retain and continue to operate 1 or more branches and principal office locations of the consolidating organizations as branches which were legally operating immediately prior to consolidation, without being required to establish or reestablish any branch or branches pursuant to section 171 and whether or not any branch or branches could, at the time the consolidation becomes effective, have been established or reestablished as a branch or branches of the consolidating or consolidated organization, consistent with the requirements, restrictions, and limitations of section 171.

Sec. 130. (1) For the purposes of this section the following definitions shall apply:

(a) "Bank holding company" means a company as defined in the bank holding company act of 1956, chapter 240, 70 Stat. 133, as amended, which is not a bank or national banking association and which is a bank holding company approved by the board of governors of the federal reserve system pursuant to section 3(d) of the bank holding company act of 1956, 12 U.S.C. 1842 or will become such an approved bank holding company prior to or upon the completion of the consolidation provided in this section.

(b) "Existing bank" means a bank engaged in the business of banking prior to the consolidation provided in this section.

(c) "New bank" means a bank not engaged in the business of banking prior to the consolidation provided in this section.

(d) "Existing association" means a stock association engaged in the savings and loan business prior to the consolidation provided in this section.

(2) Notwithstanding any other section of this act:

(a) Natural persons as provided in section 52 may organize and incorporate as the incorporator or incorporators a new bank having its principal office in the same city or village as the principal office of an existing bank or existing association in the manner specified in section 53, but without regard to the provisions of section 53(2) and (3)(b), (c), (d), and (e), and section 55, if the new bank is organized for the sole purpose of effecting its consolidation under section 125 with an existing bank or existing association having its principal office in the same city or village as the new bank and if upon completion of the consolidation a bank holding company becomes the owner of all of the outstanding voting shares of the consolidated organization, other than shares necessary to qualify directors. The new bank and the existing bank may consolidate under the charter of either bank. The new bank and the existing association shall consolidate under the charter of the new bank and the provisions of sections 125, 126, 127, and 128 shall be applicable with respect to the consolidation except that the agreement of consolidation may provide that shares of either or both the consolidating organizations, in lieu of being converted into shares of the consolidated organization, will be converted into shares or other securities of the bank holding company.

(b) A shareholder of the existing bank or existing association who votes against the consolidation, or who has given notice in writing to that bank or association at or prior to the meeting called for the purpose of considering the agreement of consolidation that he or she dissents from the consolidation, shall be entitled to receive in cash from the consolidated organization the fair value of all shares held by him or her, if and when the consolidation is consummated, upon written request made to the consolidated organization at any time within 30 days after the date of consummation of the consolidation, accompanied by the surrender of his or her stock certificates. Upon the filing of the written request and the surrender of stock certificates, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his or her shares. The request having been made, may not be withdrawn except with the written consent of the consolidated organization. The fair value of the shares shall be determined, as of the date on which the meeting of shareholders of the existing bank or existing association was held adopting the agreement of consolidation, by a qualified and independent appraiser selected by the commissioner upon written application filed by a dissenting shareholder entitled to receive the fair value of his or her shares or by the consolidated organization. The appraiser selected shall file a written report of his or her appraisal with the commissioner, who in turn shall forward copies to all interested parties. The valuation determined by the appraiser shall be final and binding on all parties as to the fair value of the shares. The consolidated organization shall pay to each dissenting shareholder entitled the fair value of his or her shares within 30 days following the receipt of the written report of the appraiser. The fees and expenses of the appraisal, which shall be approved by the commissioner, shall be paid by the consolidated organization. The agreement of consolidation shall provide the manner of disposing of the shares of the existing bank or existing association surrendered by the dissenting shareholders.

(c) The consolidated organization, whether or not it is the new bank, the existing bank, or any national banking association resulting from a consolidation or merger of an existing national banking association and a new national banking association having its principal office in the same city or village as the principal office of

the existing national banking association under the provisions of the national bank laws in a situation where the new national banking association was organized for the express purpose of effecting its consolidation or merger with the existing national banking association and upon the completion of the consolidation or merger a bank holding company becomes the owner of all of the outstanding voting shares of the resulting consolidated national banking association, other than shares necessary to qualify directors, shall have the right, notwithstanding any of the requirements, restrictions, and limitations of section 171, or any other provision of law, to retain and continue to operate or to establish and operate as its principal office the principal office of the existing bank, existing association, or existing national banking association and as its branches all branches of the existing bank, existing association, or existing national banking association which were legally operating immediately prior to the consolidation or merger, whether or not the principal office or the branch or branches could, at the time the consolidation or merger becomes effective, have been established or reestablished consistently with the requirements, restrictions, and limitations of section 171, or any other provision of law. For the purposes of this section consolidation and merger are interchangeable and each means and includes the consolidation or merger of banks, stock associations, or of national banking associations in any manner provided by this act or by the national bank laws.

(3) Nothing in this section shall be construed as a waiver of the restrictions against interstate banking set forth in section 3(d) of the bank holding company act of 1956, 12 U.S.C. 1842, as amended.

Sec. 135. (1) When a conversion under either section 131 or 133 becomes effective, all the property of the converting organization, including all its right, title, and interest in and to all property of whatsoever kind, whether real, personal or mixed, and things in action, and every right, privilege, interest, and asset of any conceivable value or benefit then existing, belonging, or pertaining to it, or which would inure to it, shall immediately by act of law and without any conveyance or transfer and without any further act or deed, be vested in and become the property of the converted organization, which shall have, hold, and enjoy the same in its own right as fully and to the same extent as it was possessed, held, and enjoyed by the converting organization. The converted organization shall be deemed to be a continuation of the entity and of the identity of the converting organization. All the rights, obligations, and relations of the converting organization to or in respect to any person, estate, creditor, depositor, trustee, or beneficiary of any trust, and in, or in respect to, any executorship or trusteeship or any other trust or fiduciary function, shall remain unimpaired. The converted organization shall succeed to all such rights, obligations, relations, and trusts, and the duties and liabilities connected therewith, and shall execute and perform each and every trust and relation in the same manner as if the converted organization had itself assumed the trust or relation and the obligations and liabilities connected therewith. If the converting organization is acting as administrator, coadministrator, executor, coexecutor, trustee, or cotrustee of or in respect to any estate or trust being administered under the laws of this state, such relation, as well as any other or similar fiduciary relations, and all rights, privileges, duties, and obligations connected therewith shall remain unimpaired and shall continue into and in the converted organization from and as of the time of taking effect of the conversion, irrespective of the date when any such relation may have been created or established and irrespective of the date of any trust agreement relating thereto or the date of the death of any testator or decedent whose estate is being so administered. Nothing done in connection with the conversion, in respect to any executorship, trusteeship, or similar fiduciary relation, shall be deemed to be or to effect under the laws of this state a renunciation or revocation of any letters of administration or letters testamentary pertaining to such relation nor a removal or resignation from any such executorship or trusteeship or other fiduciary relationship nor shall the same be deemed to be of the same effect as if the executor or trustee or other fiduciary had died or otherwise become incompetent to act.

(2) A bank or national banking association resulting from a conversion under either section 131 or 133 shall have the right, notwithstanding any of the requirements, restrictions, and limitations of section 171 to the contrary, to retain and continue to operate any and all branches of the converting organization which were in lawful operation immediately prior to conversion, without being required to establish or reestablish any branch or branches pursuant to section 171 and irrespective of whether any such branch or branches could, at the time the conversion becomes effective, have been established or reestablished as a branch or branches of such converting or converted organization, consistently with the requirements, restrictions, and limitations of section 171.

Sec. 151. (a) Subject to the limitations and restrictions contained in this act or in a bank's articles, the bank may engage in the business of banking and a business related or incidental to banking, and for that purpose, without specific mention thereof in its articles, a bank has the powers conferred by this act and the following additional corporate powers:

(1) To have a corporate seal, which may be altered at pleasure, and to use the corporate seal by causing it, or a facsimile of it, to be impressed, affixed, or reproduced in any manner.

(2) To have succession in perpetuity or for a limited period of time, as fixed by its articles or until its affairs are finally wound up by liquidation, forfeiture, or dissolution, as provided in this act.

- (3) To make contracts.
- (4) To sue and be sued, complain, and defend in its corporate name as fully as a natural person.
- (5) To elect or appoint directors who shall appoint from their members a president who shall perform duties as may be designated by the board, and who shall serve as the chairperson of the board, unless the board designates another director to be chairperson in lieu of the president. The board shall appoint 1 or more vice-presidents, a cashier, and other officers as the board considers necessary, who may or may not be members of the board, shall define their duties, shall dismiss the officers or any of them at pleasure, and shall appoint other officers to fill their places.
- (6) To make, alter, amend, and repeal bylaws not inconsistent with its articles or with law for the administration and regulation of the affairs of the bank.
- (7) To have and exercise the powers and means appropriate to effect the purpose for which the bank is incorporated.
- (8) To make contributions and donations for the public welfare or for religious, charitable, scientific, or educational purposes, and, in connection therewith, to establish and operate charitable trusts.
- (9) To purchase, take, lease as lessee, or otherwise acquire, and to own, hold, and use, to sell, lease as lessor, mortgage, pledge, grant a security interest in, convey, or otherwise dispose of real or personal property in connection with the exercise of a power granted in this act.
- (10) To act as agent of the United States, or of an instrumentality or agency of the United States, for the sale or issue of bonds, notes, or other obligations of the United States, or an instrumentality or agency of the United States, and, in connection therewith, to take other action as, in the opinion of the board of directors, may be necessary or proper to enable the bank to so act.
- (11) To become a member of the federal reserve system, to hold shares of stock in a federal reserve bank, to take all actions incident to maintenance of its membership, and to exercise all powers, not inconsistent with the provisions of this act, conferred on member banks by the federal reserve act.
- (12) To become an insured bank pursuant to the federal deposit insurance act, and to take actions incident to the maintenance of an insured status under that act.
- (13) To purchase the shares of stock of a small business investment company doing business in this state and licensed under, or established pursuant to, the federal small business investment act of 1958, Public Law 85-699, 72 Stat. 689.
- (14) To sell mortgage loans to the federal national mortgage association, or a successor of the association, and, in connection with the association, to make payments of capital contributions, required pursuant to law, in the nature of subscriptions for stock of the association or a successor of the association, to receive stock evidencing the capital contributions, and to hold or dispose of the stock.
- (15) To conduct its business through subsidiaries, but a bank shall not acquire or hold for its own account shares of a bank or bank holding company, unless the shares are acquired as provided in subdivision (18). The commissioner may promulgate rules as he or she considers necessary to effectuate this subdivision and prevent evasions of this subdivision. For the purpose of this subdivision, subsidiary means a corporation of which at least 80% of the voting stock of the corporation is owned by state and national banks located in Michigan.
- (16) To make application for and to obtain insurance of loans, but not to operate an insurance underwriting business.
- (17) To give its bond in a proceeding in any court in which it is a party or upon an appeal in a proceeding, and to pledge assets as security for the bond.
- (18) To acquire and hold, irrespective of any restriction or limitation of this act, property, or a security interest in property, as protection against loss on an evidence of indebtedness, on an agreement for the payment of money, or on an investment security previously acquired lawfully and in good faith, subject to both of the following:
 - (a) A determination by a majority vote of its directors, at least once each year, as to the advisability of retaining the property or security interest so acquired.
 - (b) Disposition within a period of 60 months after the date of acquisition, or a longer period as the commissioner may approve.
- (19) To hold property lawfully held on August 20, 1969, subject to the inclusion of the property in any computation of a limitation on the acquisition for holding of property of a like character under this act.
- (20) To service loans for others and to receive a fee for the service.
- (21) To purchase capital stock, bonds, debentures, or other obligations of a corporation created pursuant to the authority granted by sections 161 to 165, but subject to the limitations and conditions of those sections.
- (22) To execute and deliver guarantees as may be incidental or usual in carrying on the business of a bank.

(23) To purchase, hold, and dispose of stock of the student loan marketing association established pursuant to the provisions of the education amendments of 1972, Public Law 92-318, 86 Stat. 235.

(24) To purchase open accounts, with or without recourse against the seller of an open account, which accounts need not represent an evidence of indebtedness, and including open accounts in connection with export transactions, when the accounts are protected by insurance such as that provided by the foreign credit insurance association and the export-import bank.

(25) To purchase for its own account shares of stock issued by an agricultural credit corporation or a corporation organized solely for the purpose of making loans to farmers and ranchers for agricultural purposes, including the breeding, raising, fattening or marketing of livestock. However, unless a bank owns at least 80% of the stock of the corporation, the amount invested by the bank at any 1 time in the stock of the corporation shall not exceed 20% of the unimpaired capital and surplus of the bank.

(26) To make, arrange, participate in, purchase, or sell loans or extensions of credit secured by liens or interests in real estate or leaseholds.

(27) To purchase and hold for its own account any class of voting securities of a bank organized and chartered pursuant to section 54 or the national bank act, chapter 106, 13 Stat. 99, and engaged exclusively in providing services to depository institutions or their officers, directors, and employees, or a bank holding company which owns or controls a bank organized and chartered pursuant to section 54 or the national bank act, chapter 106, 13 Stat. 99, if the stock of a bank holding company is owned exclusively, except to the extent directors' qualifying shares are required by law, by depository institutions, as defined in section 54, and if all subsidiaries of the company engage exclusively in serving depository institutions or their officers, directors, and employees. The amount of securities of a bank or bank holding company held by an investing bank shall not exceed 20% of the capital and surplus of the investing bank.

(28) To purchase, hold, and dispose of mortgages, obligations, or other securities which are or ever have been sold by the federal home loan mortgage corporation pursuant to sections 305 and 306 of title III of Public Law 91-351, 12 U.S.C. 1454 and 1455.

(29) To incur liabilities, borrow money, and issue its notes, bonds, and other obligations.

(30) To exercise all incidental powers as shall be necessary to carry on the business of banking. Except as provided in subsection (b), to implement this subdivision, the commissioner may do 1 or all of the following:

(A) Promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(B) Issue declaratory rulings pursuant to the administrative procedures act of 1969.

(C) Issue orders on applications made pursuant to section 30(3) to (10) by 1 or more banks to exercise powers not specifically authorized by this act.

(D) Authorize banks to exercise any other powers necessary to compete with other providers of financial services. Prior to authorizing additional powers, the commissioner shall consider the ability of a bank to exercise the additional powers in a safe and sound manner, the authority of national banks operating pursuant to federal law or regulation, the powers of other competing providers of financial services in the bank's service area, and the provisions of this act and any other statute.

(b) The commissioner, on at least a quarterly basis, shall give notice to all banks of any rules, orders, or determinations issued pursuant to this section.

Sec. 151h. (1) A bank may invest not more than 5% of the bank's total assets in a service corporation. An investment under this subsection shall be subject to limitations and approvals established by rules promulgated by the commissioner.

(2) As used in this section, "service corporation" means a corporation organized under the laws of a state which engages in activities determined by the commissioner by order or rule to be incidental to the conduct of a banking business as provided in this act or activities which further or facilitate the corporate purposes of a bank, or which furnishes services to a bank or subsidiaries of a bank, the voting stock of which is owned directly or indirectly by 1 or more banks or national banking associations and is subject to the investment limitations set forth in this section.

(3) To implement this section, the commissioner may promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. In the alternative the commissioner may issue orders pursuant to section 30(3) to (10) on applications by 1 or more banks for a determination that a proposed activity is permitted by this section. Notwithstanding subsection (2), the commissioner may not, by order or rule, determine that third party real estate brokerage services are incidental to the conduct of a banking business as provided in this act, except that the commissioner may, by order or rule, determine that real estate brokerage services provided to the bank or

an affiliate or subsidiary of the bank for property owned by or in which the bank, subsidiary, or affiliate has an interest are incidental to the conduct of a banking business as provided in this act.

(4) The commissioner, on at least a quarterly basis, shall give notice to all banks of any rules, orders, or determinations issued pursuant to this section.

Sec. 154. A bank may purchase, sell, underwrite, and hold investment securities which are obligations in the form of bonds, notes or debentures of such type and to the extent permitted from time to time by order of the commissioner. A bank may hold, without limit, investment securities which are obligations of the United States, or obligations which are guaranteed fully as to principal and interest by the United States, or any general obligations of any state or of any political subdivision of a state.

Sec. 157. Upon written notice to the commissioner, a bank may change the location of its main office to any existing branch location of the bank within the limits of the city, village, or township in which the bank is located. With the prior written approval of the commissioner, a bank may change the location of its principal office to any other location within this state.

Sec. 159. (1) An institution may not engage in any transaction with respect to shares of the capital stock of any corporation unless specifically authorized by this act or by the commissioner pursuant to section 151 or 151h.

(2) A bank may purchase and sell securities and stock upon the order of and for the account of a customer without recourse.

(3) A bank shall not make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase is necessary to prevent loss upon a debt previously contracted in good faith.

(4) A bank may not purchase and hold shares of its own capital stock but may hold shares previously purchased until disposed of in compliance with an existing stock option plan.

Sec. 171. (1) With the written approval of the commissioner, a bank may establish and operate a branch or branches within this state. The commissioner shall not grant approval unless the commissioner is satisfied as to the sufficiency of the capital and surplus of the bank and the prospects of successful operation if established.

(2) With the written approval of the commissioner, a bank may establish and operate a branch or branches within the limits of the city or incorporated village in which the bank is located if the commissioner is satisfied as to the prospects of successful operation if established.

(3) A branch of any bank shall not be moved from 1 location to another without the written approval of the commissioner.

(4) With the written approval of the commissioner, a bank may contract with another bank or banks to act as a branch to provide services to the customers of the contracting bank.

(5) Subject to the requirements, limitations, and restrictions of subsections (1) to (3), a state agency established and operating pursuant to chapter 3A may establish and operate additional offices in this state.

Sec. 172. (1) For purposes of this section, "section 172 bank" means a bank or national banking association which has on file with the commissioner a written statement and certified resolution designating the bank or national banking association as a section 172 bank.

(2) A designation as a section 172 bank may not be revoked, withdrawn, or terminated, except as provided in this section.

(3) At any time a section 172 bank may file with the commissioner a written statement revoking the designation of the bank or national banking association as a section 172 bank. The revocation shall be effective upon the date of filing and may not be withdrawn or revoked.

Sec. 217. An officer or employee of any bank, in his individual capacity, shall not act as agent in the sale of stock or other securities to any person, partnership, association or corporation or receive directly or indirectly any consideration or commission resulting from the sale of stock or other securities by others to the bank by which he is employed.

Section 2. Section 215 of Act No. 319 of the Public Acts of 1969, being section 487.515 of the Michigan Compiled Laws, is repealed.

Section 3. This amendatory act shall take effect August 1, 1988.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.