

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

125.1474 Appointment of directors sufficient in number to constitute majority of board; conditions; exception.

Sec. 74.

(1) Except as provided in subsection (2), the articles shall provide that the authority shall have the power to appoint to the board of directors of the consumer housing cooperative a number of new directors, which number shall be sufficient to constitute a majority of the board, notwithstanding any other provisions of the articles of incorporation or any other provisions of law, if:

(a) The consumer housing cooperative has received a loan or advance as provided for in this act and the authority determines that the loan or advance is in jeopardy of not being repaid.

(b) The consumer housing cooperative has received a loan or advance as provided for in this act and the authority determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed.

(c) The authority determines that some unreasonable part of the net income or net earnings of the consumer housing cooperative shall inure to the benefit of a private individual, firm, corporation, partnership, or association.

(d) The authority determines that the consumer housing cooperative is in some manner controlled by or under the direction of or acting in the substantial interest of a private individual, firm, corporation, partnership, or association seeking to derive benefit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transaction therewith, except that the foregoing shall apply to individual cooperators of a consumer housing cooperative only in those circumstances defined by the authority in its rules.

(e) The authority determines that the consumer housing cooperative is in violation of the rules promulgated under section 22.

(f) The authority determines that the consumer housing cooperative is in violation of an agreement entered into with the authority providing for regulation by the authority of the planning, development, and management of a housing project undertaken by the consumer housing cooperative or the disposition of the property and franchises of the cooperative.

(2) This section shall not apply to a consumer housing cooperative which was organized before March 10, 1967, as a nonprofit cooperative corporation pursuant to sections 98 to 132 of Act No. 327 of the Public Acts of 1931, as amended.

History: Add. 1968, Act 343, Imd. Eff. July 19, 1968 ;-- Am. 1970, Act 129, Imd. Eff. July 29, 1970 ;-- Am. 1978, Act 192, Imd. Eff. June 4, 1978

Admin Rule: R 125.101 et seq. of the Michigan Administrative Code.