

SAVINGS BANK ACT (EXCERPT)
Act 354 of 1996

487.3413 Transactions relating to capital stock of corporation; authorization; purchase and sale of securities and stock; loan or discount; purchase or holding of own stock.

Sec. 413.

(1) A savings bank shall 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 under section 401 or 410.

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

(3) A savings bank shall not make any loan or discount on the security of the shares of its own capital stock, unless the security is necessary to prevent loss upon a debt previously contracted in good faith.

(4) A savings bank may purchase or hold shares of its own stock if any of the following apply:

(a) The savings bank is holding shares previously purchased until disposed of in compliance with an existing stock option plan.

(b) The purchase or holding of the shares is necessary to prevent loss upon a debt previously contracted in good faith.

(c) The commissioner gives written approval to the savings bank to purchase or hold shares for its own account.

History: 1996, Act 354, Imd. Eff. July 1, 1996 ;-- Am. 2000, Act 482, Imd. Eff. Jan. 11, 2001