

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.421 Credit committee; powers; meetings; loan officers; appeals of loan rejections; designation of secretary; maintenance of records of activities.

Sec. 421.

(1) If a domestic credit union has a credit committee, the credit committee has general supervision of all loans to members.

(2) A credit committee shall meet as often as the business of the domestic credit union requires. The credit committee shall consider applications for loans or review the credit decisions of the loan officers of the domestic credit union. A majority vote of the members of the committee who are present at a meeting is required to approve or disapprove of a loan to a member.

(3) A credit committee, or the credit union board if the domestic credit union does not have a credit committee, may appoint 1 or more loan officers and delegate to them the power to approve or reject loans or lines of credit or to make credit decisions concerning loans or lines of credit, subject to any limitations or conditions established by the credit committee.

(4) A member whose loan application is disapproved by a loan officer may appeal in writing to the credit committee, or to the credit union board if the domestic credit union does not have a credit committee.

(5) A domestic credit union may establish and use an automated loan approval and rejection process but may not use the automated process for appeals of loan rejections. If a domestic credit union uses an automated process, the domestic credit union shall establish a written procedure to ensure the proper functioning of the automated process.

(6) The credit committee shall designate a secretary of the credit committee. The secretary shall maintain records of the actions of the committee concerning its lending activities as required by the credit union board.

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