

**SAVINGS AND LOAN ACT OF 1980 (EXCERPT)**  
**Act 307 of 1980**

**491.456 Bonding of officers, directors, and employees.**

Sec. 456. Before entering upon the performance of any of their duties, each director, employee, and officer of an association shall be individually bonded with adequate corporate surety payable to the association as an indemnity for any loss the association may sustain of money or other property by or through any dishonest, fraudulent, or criminal act by the director, officer, or employee. Associations which employ collection agents who for any reason are not covered by a bond, shall provide for the bonding of agents in an amount equal to not less than twice the average monthly collection of the agent. The agents shall make settlement with the association not less than monthly. Bond coverage shall not be required of an agent which is a bank insured by the federal deposit insurance corporation or an institution insured by the federal savings and loan insurance corporation. The amount and form of the bonds and sufficiency of the surety shall be prescribed by the supervisor. Instead of individual bonds, a blanket bond, protecting the association from loss through an act on the part of the director, officer, or employee may be obtained. A true copy of every current indemnity bond shall be on file at all times with the supervisor. The bonds shall provide that a cancellation of the bonds either by the surety or by the insured shall not become effective until after 10 days' notice in writing is given to the supervisor, unless the supervisor has approved the cancellation earlier.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.