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CREDIT UNIONS: Powers and Duties.

A State chartered credit union now possesses, by statute, the power to disburse directly from the funds of its members for the regular payment of insurance premiums, and for all purposes from multi-party accounts.

No. 4650-A

March 6, 1970.

Mr. Robert P. Briggs
Commissioner of Banking
Financial Institutions Bureau
Davenport Building
Lansing, Michigan

The Attorney General's attention has been directed to Act 176, Public Acts of 1969, which amended the Credit Union Act subsequent to the issuance of Opinion No. 4650. The Credit Union Act is M.C.L.A. § 490.1 et seq.; M.S.A. 1957 Rev. Vol. & Supps. § 23.481 et seq. Act 176 of the Public Acts of 1969, amending Sections 4 and 4a, is found at M.C.L.A. § 490.4; M.S.A. Cur. Mat. § 23.484; M.C.L.A. § 490.4a; M.S.A. Cur. Mat. § 23.484(1). Opinion No. 4650, issued May 9, 1969, ruled that state chartered credit unions possess implied powers to extend the line of credit to credit union members for provident or productive purposes, to permit its members to utilize drafts in unstated amounts, but limited by imprint thereon to a stated maximum, and to invest the funds of the credit union in a housing cooperative irrespective of whether the housing would be limited to occupancy by credit union members. The opinion also ruled that a state chartered credit union does not possess the power, either expressed or implied, to disburse from the funds of its members payments of utility bills and insurance premiums directly to the creditor to whom these bills are owed.

Act 176 amends Section 4 of the Credit Union Act by adding two subsections so that Section 4 now provides in pertinent part as follows:

"A credit union shall have the following powers:

* * *

"(k) To disburse from the share or deposit account of the member such funds as the member may direct in writing for insurance premiums.

"(1) To disburse from the proceeds of a loan as the borrower directs in writing." (M.C.L.A. § 490.4; M.S.A. Cur. Mat. § 23.484)

Therefore, the ruling of Opinion No. 4650 has been modified by the provisions of Act 176, P.A. 1969, as above set forth, to the extent that subparagraph (k) specifically authorizes disbursement from a share or deposit account of a member such funds as the member may direct in writing for insurance premiums.

An additional modification is also in order. Act 41, P.A. 1968, at Section 1(k) is an act to regulate credit union multiple party accounts (M.C.L.A. § 490.51 et seq.; M.S.A. 1969 Rev. Vol. § 23.510(1) et seq.). Section 1 of the Act [M.C.L.A. § 490.51; M.S.A. 1969 Rev. Vol. § 23.510(1)] at subparagraph (k) provides as follows:

“Withdrawal” includes payment to a third person pursuant to directive of a party.”

A “multiple party account” is defined at subparagraph (d) of the same section as an account in the names of two or more persons, one or more or all of whom may make withdrawals, or an account in the name of one or more parties as trustees for one or more beneficiaries even though no mention is made of a right of withdrawal by a beneficiary. At least one party to such multiparty account must be a member of the credit union in which the account is established.

On the basis of this statute it appears that Opinion No. 4650 should be modified by acknowledging the right of the credit union to make direct payment from a multiple party account to a third person such as a utility company for the amount of a bill pursuant to the directive of a party having a present right of withdrawal in a multiple party account.

FRANK J. KELLEY,
Attorney General.

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CRIMINAL LAW: Probation, surrender of operator's license:

COURTS: Probation, surrender of operator's license:

MOTOR VEHICLES: Suspension and revocation of operators' licenses, enforcement of probation in Recorder's Court:

The Department of State has the authority to suspend or revoke an operator's license for reasons enumerated in the Michigan Vehicle Code.

A court has the authority to require the surrender of an operator's license as a condition of probation.

Operation of a motor vehicle by a probationer whose operator's license is in possession of a court as a term of his probation, is not the operation of a motor vehicle while said license “has been suspended or revoked.”

Probationary orders of Recorder's Court, Traffic and Ordinance Division, may be enforced throughout the state.

No. 4454

March 30, 1970.

Mr. James M. Hare
Secretary of State
Michigan Department of State
Treasury Building
Lansing, Michigan 48913

You have requested my opinion on the following questions:

(1) Can a court (any court) retain in its possession a driver's license or does the Secretary of State have the authority to demand that such a driver's license be forwarded to the Secretary of State Department? If so, by what manner or means can the Secretary of State Department enforce its request?