

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Bulletin 2021-21-CU**

**In the matter of:**

**Credit Union Membership Eligibility  
for Legal Entities**

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**Issued and entered  
this 29<sup>th</sup> day of April 2021  
by Anita G. Fox  
Director**

This bulletin supersedes Bulletin 2021-12-CU, issued on March 10, 2021.

This bulletin sets forth DIFS' interpretation of the Michigan Credit Union Act (Act), MCL 490.101, *et seq.*, and a credit union's bylaws pertaining to credit union membership eligibility.

Section 352(1) of the Act, MCL 490.352(1), provides that the membership of a domestic credit union is comprised of each person that organized the domestic credit union and each person that meets several requirements, including that the person "belongs to a group of persons that is within the domestic credit union's field of membership." "Person" is defined under the Act as "an individual, corporation, partnership, limited liability company, association, governmental entity, or any other legal entity." See MCL 490.103(h).

Section 352(2) of the Act, MCL 490.352(2), governs the required composition of a domestic credit union's field of membership and expressly requires that it consist of one or more of the following:

- a) One or more groups of any size that have a common bond of occupation, association, or religious affiliation;
- b) One or more groups composed of persons whose common bond is residence, employment, or place of religious worship within a geographic area; or
- c) One or more groups whose common bond is common interests, activities, or objectives.

Section 353(3) of the Act, MCL 490.353(3), allows a legal entity to become a credit union member if the legal entity is "composed for the most part of the same general group as the membership of the domestic credit union."

A legal entity may become a member of a credit union in two ways. The first is when a legal entity has a common bond of "residence" under MCL 490.352(2)(b). The "residence" requirement is satisfied when a legal entity has its place of business, has a registered office, or conducts business through systematic and continuous dealings within the relevant geographic area. The second way a legal entity may become a member of a credit union is when the legal entity is "composed for the most part of the same general group as the membership of the credit union" under MCL 490.353(3). To meet this requirement, the legal entity must demonstrate that a majority of its natural person owners, shareholders, partners, or members

(depending on the type of legal entity) are eligible for membership according to the credit union's field of membership eligibility requirements.

A credit union's bylaws do not grant any authority or power to a Michigan state-chartered credit union which is not already enumerated in the Act, and they cannot supersede any applicable regulation. State-chartered credit unions should be aware that, at each credit union's next scheduled examination, DIFS will perform a review of the credit union's bylaws to ensure clarity and conformity with the Act. Credit unions are encouraged and expected to review bylaws for conformity with the Act and to use exact language from the statute wherever possible to avoid ambiguity.

Any questions regarding this Bulletin should be directed to:

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