

POLICY STATEMENT ON THE TERM BANK, INDUSTRIAL BANK, DEPOSIT, SURETY,
SECURITY, TRUST, OR TRUST COMPANY IN CORPORATE NAME

Section 213 of the Business Corporation Act provides that a corporation, other than a bank holding company, shall not assume a name which implies that it is a banking corporation, an insurance or surety company or a trust company, and the corporation shall not use the word, >bank=, >industrial bank=, >deposit=, >surety=, >security=, >trust=, or >trust company= in its corporate name or use a combination of the letters or words with other letters or words in its corporate name to indicate or convey the idea of a bank or banking or industrial banking activity or security unless from the other words constituting the name, it is clear that the business conducted does not include the business of banking.@

Section 213 of the Nonprofit Corporation Act provides that a corporation shall not assume a name which implies that it is a banking corporation, an insurance or surety, or a trust company.@

Section 1106 of the Banking Code of 1999, MCLA 487.1101 states:

AThe use of the word Abank@, Abanker@, or Abanking@ or any foreign language words of similar meaning as a designation or name, or part of a designation or name under which business is or may be conducted in this state, is restricted to a national bank, a bank subject to this act, an out-of-state bank, a bank holding company registered under the bank holding company act, a foreign bank agency, a foreign bank branch, a savings and loan holding company as defined in 12 C.F.R. 583.20, or a savings bank that is lawfully conducting business in this state, unless that designation or name, taken as a whole, would not imply a banking business. Use of the term Amortgage banker@ or Amortgage banking@ in the name or assumed name of a licensee or registrant under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651, does not violate this section.@

A domestic profit corporation will be required in its purpose statement, to state that it is registered or will be registered as a bank holding company under the Bank Holding Company Act, being 12 U.S.C. Sections 1841 to 1850, to qualify for the exception provided for in Section 213 of the Business Corporation Act. A foreign profit corporation will be required to contain a similar statement in its application for a certificate of authority to qualify for the exception.

A domestic or foreign profit corporation that is not a bank holding company, savings and loan holding company, foreign savings and loan holding company, foreign savings bank and savings bank, domestic or foreign nonprofit corporations will not be permitted to use Abank®, Abanc®, Abanque®, or any combination of words or letters that imply the corporation is a bank or that the business conducted includes the business of banking.

This policy is consistent with Section 213 of the Business Corporation Act, Section 213 of the Nonprofit Corporation Act, and Section 1106 of the Banking Code of 1999. Which allows non-bank corporations to use “mortgage banker” and “mortgage banking” in the name or assumed name of a licensee or registrant under the mortgage brokers, lenders and servicers licensing act.

The above policy shall be adopted immediately and remain in effect unless rescinded or modified by the Bureau Director.

Approved by Joseph Webster, Director
Corporation and Land Development Bureau
September 26, 2000