

**FINANCIAL INSTITUTIONS COMMITTEE
REPORT PREPARED FOR THE JUNE 3, 2006 COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee

Working on scheduling next meeting for June.

2. Council Approval

None.

3. Membership

A detailed agenda for each meeting is sent to each member of the Committee.

4. Accomplishments Toward Committee Objectives

The primary Committee objective is to provide to members information on statutory, regulatory and judicial developments that affect financial institutions. This objective is accomplished by periodic Committee meetings.

5. Meetings and Programs

At each meeting a representative of the Michigan Office of Financial and Insurance Services reports on OFIS's legislative and regulatory initiatives, any litigation to which OFIS is a party and other matters of interest to the Committee. Also, representatives of the Michigan Bankers Association and the Michigan Credit Union League report on their legislative agendas and any litigation in which they are involved, whether as a party or as *amicus curiae*. Members of the Committee report on topics of interest.

6. Publications

None recently.

7. Legislative/Judicial/Administrative Developments

- The Michigan Bankers Association has been working with OFIS in preparing relatively extensive amendments to the Michigan Banking Code. Committee members will be asked to submit suggestions for amendments.
- A problem with the transition provisions of Article 9 of the Uniform Commercial Code (Secured Transactions) affects a small group of filed financing statements consisting of those filed during the second half of 1996 or during the second half of any fifth year preceding 1996 (1991, 1986, 1981, etc.) and continued during the first half of 2001, where the filing was made in a public office that was the proper

office in which to file both under revised Article 9 and under the rules of Article 9 before it was revised effective July 1, 2001. Under one interpretation of the transition rules, a continuation statement for any such financing statement must be filed within a shorter “window” than the usual period of six months before the financing statement expires. In some cases, this could result in a window of only one day – June 30, 2006. See Breay, James, “A Glitch in Revised UCC Article 9,” 123 *The Banking Law Journal* 440 (No. 5, May, 2006).

8. Analysis of Applicable Strategic Plan Issues

The Committee’s work on the Banking Code amendments will help “enhance the legislative and regulatory environment for conducting business in Michigan” (Mission Statement). Committee meetings help “foster the highest quality of professionalism and practice in business law” (Mission Statement).