

**FINANCIAL INSTITUTIONS COMMITTEE
REPORT PREPARED FOR THE MARCH 9, 2006 COUNCIL MEETING**

1. Next Scheduled Meeting of the Committee

Working on scheduling next meeting for April or May.

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.
- Wal-Mart Bank, a Utah industrial loan company that is controlled by Wal-Mart, has applied to the FDIC for deposit insurance. This has terrified small banks across the country, even though Wal-Mart has stated that it wants a bank only to engage in credit card processing activities and will not acquire or establish any

branches. The uproar has caused the FDIC to schedule a public hearing on the application, which is the first time the FDIC has held a public hearing on an application for deposit insurance.

- The Federal Reserve Board has increased from \$150 million to \$500 million the asset size threshold for purposes of the definition of a small bank holding company (“BHC”) under the Bank Holding Company Act and has revised the qualitative criteria for determining eligibility as a small BHC.

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).