

HOUSE BILL No. 4706

May 28, 1987, Introduced by Rep. Power and referred to the Committee on Corporations and Finance.

A bill to amend section 1 of Act No. 326 of the Public Acts of 1966, entitled

"An act to regulate the rate of interest of money; to provide exceptions; to prescribe the rights of parties; and to repeal certain acts and parts of acts,"

being section 438.31 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 1 of Act No. 326 of the Public Acts of
2 1966, being section 438.31 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 1. The interest of money shall ~~be at~~ NOT EXCEED the
5 rate of ~~\$5.00 upon \$100.00 for a year, and at the same rate for~~
6 ~~a greater or less sum, and for a longer or shorter time~~ 5% PER
7 ANNUM, except that in all cases, NOTWITHSTANDING ANY OTHER
8 PROVISION OF THIS ACT, it shall be lawful for the parties to
9 stipulate in writing for the payment of any rate of interest,

1 COMPUTED FROM TIME TO TIME ONLY ON THE BASIS OF UNPAID BALANCE
2 not exceeding ~~7% per annum~~ 12% PER ANNUM WHICH INTEREST SHALL
3 BE INCLUSIVE OF ALL AMOUNTS DEFINED AS THE FINANCE CHARGE OF SEC-
4 TION 106 OF THE TRUTH IN LENDING ACT, 15 U.S.C. 1605, AND THE
5 REGULATIONS PROMULGATED UNDER THAT ACT, 12 C.F.R. PART 226. This
6 act shall not apply to the rate of interest on any note, bond, or
7 other evidence of indebtedness issued by any corporation, associ-
8 ation, or person, the issue and rate of interest of which have
9 been expressly authorized by the public service commission or the
10 CORPORATIONS AND securities bureau of the department of commerce,
11 or is regulated by any other law of this state, or of the United
12 States, nor shall it apply to any time price differential which
13 may be charged upon sales of goods or services on credit. This
14 act shall not be construed to repeal section ~~78 of Act No. 327~~
15 ~~of the Public Acts of 1931, as amended, being section 450.78 of~~
16 ~~the Compiled Laws of 1948~~ 275 OF ACT NO. 284 OF THE PUBLIC ACTS
17 OF 1972, BEING SECTION 450.1275 OF THE MICHIGAN COMPILED LAWS.
18 This act shall not render unlawful, the purchase of any note,
19 bond or other evidence of indebtedness theretofore issued by any
20 borrower not then domiciled in this state, which bear any rate of
21 interest which is lawful under the law of the domicile of the
22 borrower at the date of issue thereof, and in such case any such
23 rate of interest may be charged and received by any person, firm,
24 corporation or association in this state.