

HOUSE BILL No. 5364

December 3, 1991, Introduced by Rep. Bennett and referred to the Committee on Corporations and Finance.

A bill to amend section 14 of Act No. 285 of the Public Acts of 1925, entitled as amended

"An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions,"

as amended by Act No. 205 of the Public Acts of 1987, being section 490.14 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 14 of Act No. 285 of the Public Acts of
2 1925, as amended by Act No. 205 of the Public Acts of 1987, being

1 section 490.14 of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 14. Interest rates on loans made by a credit union
4 shall not exceed 1-1/4% a month on unpaid balances, except that a
5 rate of 16.5% ~~or less~~ per annum on unpaid balances may be
6 charged on a loan ~~which is made on or before December 31, 1991,~~
7 for the purchase of a motor vehicle. Loans made for the purchase
8 of a motor vehicle regardless of whether the loan specifies a
9 term to maturity or is made pursuant to a line of credit, credit
10 card, or other similar agreements ~~shall be~~ ARE subject to the
11 applicable interest rate ceiling of this section. Loans made by
12 a credit union to another credit union as permitted under this
13 act ~~shall~~ ARE not ~~be~~ subject to the interest rate limitations
14 of this section or any other provisions of law.