

SENATE BILL No. 693

January 28, 1992, Introduced by Senators BOUCHARD, KELLY, EHLERS, MC MANUS and EMMONS and referred to the Committee on Corporations and Economic Development.

A bill to amend Act No. 135 of the Public Acts of 1977, entitled

"An act to prohibit certain mortgage lending practices by a credit granting institution; to require the institution to make reports regarding its mortgage lending practices; to prescribe the powers and duties of the commissioner of the financial institutions bureau in relation to those practices; to permit the establishment of local mortgage review boards; and to provide remedies and penalties,"

being sections 445.1601 to 445.1614 of the Michigan Compiled Laws, by adding section 2a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 135 of the Public Acts of 1977, being
2 sections 445.1601 to 445.1614 of the Michigan Compiled Laws, is
3 amended by adding section 2a to read as follows:

4 SEC. 2A. A CREDIT GRANTING INSTITUTION THAT REQUIRES A
5 MORTGAGOR TO MAINTAIN HAZARD INSURANCE AS A CONDITION TO
6 RECEIVING A MORTGAGE LOAN SHALL NOT REQUIRE THE AMOUNT OF THE

1 HAZARD INSURANCE TO BE GREATER THAN THE REPLACEMENT COST OF THE
2 MORTGAGED BUILDING OR BUILDINGS.