

SENATE BILL No. 694

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. 319 of the Public Acts of 1969, entitled as amended

"Banking code of 1969,"

as amended, being sections 487.301 to 487.598 of the Michigan Compiled Laws, by adding section 151i.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 319 of the Public Acts of 1969, as
2 amended, being sections 487.301 to 487.598 of the Michigan
3 Compiled Laws, is amended by adding section 151i to read as
4 follows:

5 SEC. 151I. A BANK THAT REQUIRES A MORTGAGOR TO MAINTAIN
6 HAZARD INSURANCE AS A CONDITION TO RECEIVING A MORTGAGE LOAN
7 SHALL NOT REQUIRE THE AMOUNT OF THE HAZARD INSURANCE TO BE
8 GREATER THAN THE REPLACEMENT COST OF THE MORTGAGED BUILDING OR
9 BUILDINGS.