



HOUSE BILL No. 4727

May 6, 1993, Introduced by Rep. Keith and referred to the Committee on Business and Finance.

A bill to amend section 10 of Act No. 379 of the Public Acts of 1984, entitled

"An act to define and regulate certain credit card transactions, agreements, charges, and disclosures; to prescribe the powers and duties of the financial institutions bureau and certain state agencies; to provide for the promulgation of rules; and to provide for fines and penalties,"

as amended by Act No. 171 of the Public Acts of 1987, being section 493.110 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 10 of Act No. 379 of the Public Acts of
2 1984, as amended by Act No. 171 of the Public Acts of 1987, being
3 section 493.110 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 10. (1) On ~~any~~ A loan made or credit extended
6 pursuant to a credit card arrangement, a licensee may collect
7 interest not to exceed 1.5% of the unpaid balance per month.

1 ~~Such~~ THE interest shall not be precomputed but ~~shall be~~
2 computed from time to time on the basis of the unpaid balances.
3 In addition to collecting the interest permitted ~~in~~ BY this
4 subsection, a licensee may assess a fee for the privilege of
5 having a credit card or charge card if the fee is not computed as
6 a percentage of the unpaid balance.

7 (2) A loan made or credit extended pursuant to a credit card
8 arrangement authorized by this act may be offered in connection
9 with other accounts, services, or other similar agreements not
10 regulated by this act or any other applicable statute. ~~However,~~
11 ~~the~~ A LICENSEE MAY OFFER FOR SALE AND FINANCE CREDIT LIFE INSUR-
12 ANCE OR CREDIT ACCIDENT AND HEALTH INSURANCE AS DEFINED IN THE
13 CREDIT INSURANCE ACT, ACT NO. 173 OF THE PUBLIC ACTS OF 1958,
14 BEING SECTIONS 550.601 TO 550.624 OF THE MICHIGAN COMPILED LAWS,
15 OR ANY OTHER INSURANCE PURSUANT TO THE INSURANCE CODE OF 1956,
16 ACT NO. 218 OF THE PUBLIC ACTS OF 1956, BEING SECTIONS 500.100 TO
17 500.8302 OF THE MICHIGAN COMPILED LAWS.

18 (3) THE making of a loan or extension of credit pursuant to
19 a credit card arrangement shall not be conditioned on the
20 requirement that insurance AS DESCRIBED IN SUBSECTION (2) be
21 obtained ~~on the life of the holder of the credit card or charge~~
22 ~~card~~ or that any other goods or services be purchased as a con-
23 dition of the privilege of obtaining a credit card or charge
24 card. ~~If the licensee is the beneficiary of a credit life~~
25 ~~insurance or credit accident and health insurance policy as~~
26 ~~defined in the credit insurance act, Act No. 173 of the Public~~
27 ~~Acts of 1958, being sections 550.601 to 550.624 of the Michigan~~

~~1 Compiled Laws, the licensee shall not use the same application
2 form which is used to elicit applications for an extension of
3 credit or an increase in predetermined credit limits for the pur-
4 pose of eliciting offers to purchase the credit life or credit
5 accident and health insurance, nor shall the licensee solicit
6 offers to purchase the credit life or credit accident and health
7 insurance as part of the same transaction in which a person
8 applies for credit or an increase in predetermined credit
9 limits.~~

10 Section 2. This amendatory act shall not take effect unless
11 all of the following bills of the 87th Legislature are enacted
12 into law:

13 (a) House Bill No. 4020.

14 (b) House Bill No. 4021.

15 (c) House Bill No. 4022.

16 (d) Senate Bill No. ____ or House Bill No. 4726 (request
17 no. 01837'93b*).

18 (e) Senate Bill No. ____ or House Bill No. 4728 (request
19 no. 02863'93).

20 (f) Senate Bill No. ____ or House Bill No. 4729 (request
21 no. 02864'93).