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MORT. CONTRACTS: NO RATE CAP

House Bill 4874

Sponsor: Rep. Kim Rhead

Committee: Commerce

Complete to 9-5-95

A SUMMARY OF HOUSE BILL 4874 AS INTRODUCED 5-18-95

The usury law currently allows parties to a first mortgage to agree to any rate of interest, but restricts parties to a land contract, purchase money mortgage or second mortgage, or to an extension of credit secured by a lien on a mobile home, to a rate of interest not exceeding 11 percent annually. (Land contracts offered by regulated lenders, however, are not subject to a rate ceiling.) The bill would amend the act to remove the rate cap that applies to these other types of mortgage contracts.

MCL 438.31c

House Bill 4874 (9-5-95)