



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 534 through 537
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

Date Completed: 5-17-95

SUMMARY OF SENATE BILLS 534 through 537 as introduced 5-17-95:

Senate Bills 534 through 537 would amend various acts to specify that a lender that required a mortgagor to maintain hazard insurance as a condition to receiving a mortgage loan could not require the amount of the hazard insurance to be greater than the replacement cost of the mortgaged building or buildings.

Senate Bill 534 would amend Public Act 135 of 1977, which regulates mortgage lending practices, and would apply to a "credit granting institution". ("Credit granting institution", under that Act, means a State- or nationally chartered bank, a State- or Federally chartered savings and loan association, a State- or Federally chartered credit union, the Michigan State Housing Development Authority, or a business entity making or purchasing mortgage loans, that has a main office, branch office, or service center doing business within Michigan.) Senate Bill 535 would amend the Banking Code and would apply to a bank. Senate Bill 536 would amend the Savings and Loan Act and would apply to an "association" or "federal association". ("Association", under that Act, means a domestic savings and loan association or domestic savings bank; "federal association" means a corporate organization that transacts business pursuant to authority granted under the Federal Home Owners' Loan Act, with its principal office located in Michigan.) Senate Bill 537 would amend the credit union Act and would apply to a credit union.

Proposed MCL 445.1602a (S.B. 534)
Proposed MCL 487.451i (S.B. 535)
Proposed MCL 491.702a (S.B. 536)
Proposed MCL 490.16b (S.B. 537)

Legislative Analyst: P. Affholter

FISCAL IMPACT

These bills would not affect the fiscal requirements or the borrowing or lending activities and programs of the Department of Commerce or of local governmental units.

Fiscal Analyst: K. Lindquist

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.