



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4616 (Substitute H-3 as reported without amendment)
Sponsor: Representative Greg Kaza
House Committee: Commerce
Senate Committee: Financial Services

CONTENT

The bill would amend the credit union Act to delete the Act's maximum limit on interest rates for loans made by a credit union and provide, instead, that interest rates on those loans could not exceed the rates of interest permitted by the Credit Reform Act proposed by House Bill 4614. Currently, the interest rate on loans made by a credit union cannot exceed 15% annually on unpaid balances, except that a rate of 16.5% or less may be charged on a loan made on or before December 31, 1997, for the purchase of a motor vehicle.

MCL 490.1a et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The Financial Institutions Bureau, Department of Commerce, would not be required to make significant changes in support activities for loan practices of regulated lending institutions. There would be no fiscal impact on the Department of Commerce or on local governmental units.

Date Completed: 9-19-95

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.