

Act No. 85
Public Acts of 1996
Approved by the Governor
February 25, 1996
Filed with the Secretary of State
February 27, 1996

STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996

Introduced by Senator Schuette

ENROLLED SENATE BILL No. 438

AN ACT to amend section 2 of Act No. 162 of the Public Acts of 1995, entitled "An act to allow certain regulated lenders to charge interest for extensions of credit; to prescribe the powers and duties of certain state agencies and officials; to provide for remedies; and to prescribe penalties," being section 445.1852 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 2 of Act No. 162 of the Public Acts of 1995, being section 445.1852 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 2. As used in this act:

- (a) "Borrower" means a person who obtains an extension of credit from a regulated lender.
- (b) "Commissioner" means the commissioner of the financial institutions bureau of the department of commerce.
- (c) "Credit card arrangement" means an extension of credit that is not secured by real property made to a cardholder of a credit card or charge card issued by a regulated lender under an arrangement that gives to a cardholder the privilege of obtaining credit from the regulated lender or any other person in purchasing or leasing property or services, obtaining credit or loans, or otherwise.
- (d) "Credit sale" means an extension of credit for the sale of goods or services by a seller that is subject to the home improvement finance act, Act No. 332 of the Public Acts of 1965, being sections 445.1101 to 445.1431 of the Michigan Compiled Laws, or the motor vehicle sales finance act, Act No. 27 of the Public Acts of the Extra Session of 1950, being sections 492.101 to 492.141 of the Michigan Compiled Laws.
- (e) "Depository institution" means a bank, savings and loan association, savings bank, or a credit union chartered under state or federal law which maintains a principal office or branch in this state.
- (f) "Excessive fee or charge" means a fee or charge that exceeds the amount allowed in section 6(1), (2), or (3), section 7, or any other law or statute.
- (g) "Extension of credit" means a loan or credit sale made by a regulated lender. An extension of credit does not include an extension of credit described in section 501(a)(1) of title V of the depository institutions deregulation and monetary control act of 1980, Public Law 96-221, 12 U.S.C. 1735f-7 nt.
- (h) "Person" means an individual, corporation, partnership, association, governmental entity, or any other legal entity.
- (i) "Regulated lender" means a depository institution, a licensee under the consumer financial services act, Act No. 161 of the Public Acts of 1988, being sections 487.2051 to 487.2072 of the Michigan Compiled Laws, Act No. 379 of the Public Acts of 1984, being sections 493.101 to 493.114 of the Michigan Compiled Laws, the motor vehicle sales finance act, Act No. 27 of the Public Acts of the Extra Session of 1950, Act No. 125 of the Public Acts of 1981, being

sections 493.51 to 493.81 of the Michigan Compiled Laws, or the regulatory loan act of 1963, Act No. 21 of the Public Acts of 1939, being sections 493.1 to 493.26 of the Michigan Compiled Laws, or a seller under the home improvement finance act, Act No. 332 of the Public Acts of 1965.

Section 2. This amendatory act shall take effect March 28, 1996.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.