

Act No. 214
Public Acts of 1995
Approved by the Governor
November 29, 1995
Filed with the Secretary of State
November 29, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Senator Bouchard

ENROLLED SENATE BILL No. 534

AN ACT to amend Act No. 135 of the Public Acts of 1977, entitled "An act to prohibit certain mortgage lending practices by a credit granting institution; to prescribe the powers and duties of the commissioner of the financial institutions bureau in relation to those practices; to permit the establishment of local mortgage review boards; and to provide remedies and penalties," being sections 445.1601 to 445.1614 of the Michigan Compiled Laws, by adding section 2a.

The People of the State of Michigan enact:

Section 1. Act No. 135 of the Public Acts of 1977, being sections 445.1601 to 445.1614 of the Michigan Compiled Laws, is amended by adding section 2a to read as follows:

Sec. 2a. (1) Except as provided in subsection (2), a credit granting institution that requires a mortgagor to maintain property/casualty insurance as a condition to receiving a mortgage loan shall not require the amount of the property/casualty insurance to be greater than the replacement cost of the mortgaged building or buildings.

(2) A credit granting institution may require an amount of property/casualty insurance that is required of the credit granting institution as a condition of a sale, transfer, or assignment of all or part of the mortgage to a third party. This subsection does not require that the credit granting institution anticipate a sale, transfer, or assignment at the time the mortgage loan is made.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.