STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995

Introduced by Senator Bouchard

ENROLLED SENATE BILL No. 536

AN ACT to amend Act No. 307 of the Public Acts of 1980, entitled "An act to revise and codify the laws relating to savings and loan associations; to provide for the incorporation, regulation, supervision, and internal administration of associations; to prescribe the rights, powers, and immunities of associations; to provide for voluntary and involuntary changes in the corporate structure of associations; to prescribe the powers, rights, and duties of certain state agencies in relation to associations; to require certain reports and examinations of associations; to prescribe remedies and penalties for violations of this act; and to repeal certain acts and parts of acts," as amended, being sections 491.102 to 491.1202 of the Michigan Compiled Laws, by adding section 702a.

The People of the State of Michigan enact:

Section 1. Act No. 307 of the Public Acts of 1980, as amended, being sections 491.102 to 491.1202 of the Michigan Compiled Laws, is amended by adding section 702a to read as follows:

Sec. 702a. (1) Except as provided in subsection (2), an association or federal association 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) An association may require an amount of property/casualty insurance that is required of the association 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 association 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.