

Act No. 200
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. 537

AN ACT to amend Act No. 285 of the Public Acts of 1925, entitled as amended "An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions," as amended, being sections 490.1 to 490.31 of the Michigan Compiled Laws, by adding section 16b.

The People of the State of Michigan enact:

Section 1. Act No. 285 of the Public Acts of 1925, as amended, being sections 490.1 to 490.31 of the Michigan Compiled Laws, is amended by adding section 16b to read as follows:

Sec. 16b. (1) Except as provided in subsection (2), a credit union 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 union may require an amount of property/casualty insurance that is required of the credit union 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 union 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.