



# SENATE BILL No. 534

May 17, 1995, Introduced by Senator BOUCHARD and referred  
to the Committee on Financial Services.

A bill 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 require the institution to make  
reports regarding its mortgage lending practices; to prescribe  
the powers and duties of the commissioner of the financial insti-  
tutions 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:

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

4 SEC. 2A. A CREDIT GRANTING INSTITUTION THAT REQUIRES A  
5 MORTGAGOR TO MAINTAIN HAZARD INSURANCE AS A CONDITION TO  
6 RECEIVING A MORTGAGE LOAN SHALL NOT REQUIRE THE AMOUNT OF THE

1 HAZARD INSURANCE TO BE GREATER THAN THE REPLACEMENT COST OF THE  
2 MORTGAGED BUILDING OR BUILDINGS.