

HOUSE BILL No. 5379

November 13, 1997, Introduced by Reps. Callahan, Brater, DeHart, Hale, Wojno, Schauer, Bogardus, Frank and Brewer and referred to the Committee on Commerce.

A bill to amend 1996 PA 354, entitled
"Savings bank act,"
(MCL 487.3101 to 487.3804) by adding section 511a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 511A. (1) IF A SAVINGS BANK REQUIRES A MORTGAGEE TO
2 OBTAIN PRIVATE MORTGAGE INSURANCE AS A CONDITION OF RECEIVING A
3 MORTGAGE LOAN WITH A LOAN TO VALUE RATIO ABOVE A CERTAIN PERCENTAGE,
4 WHEN THE LOAN BALANCE HAS DROPPED BELOW THE EQUITY REQUIRE-
5 MENT THE SAVINGS BANK SHALL NOTIFY THE MORTGAGEE AND DISCONTINUE
6 THE PRIVATE MORTGAGE INSURANCE.

7 (2) AS USED IN THIS SECTION, "PRIVATE MORTGAGE INSURANCE"
8 MEANS INSURANCE OBTAINED TO PROTECT THE MORTGAGOR AGAINST BOR-
9 ROWER DEFAULT.