

# HOUSE BILL No. 5381

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

A bill to amend 1925 PA 285, entitled

"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,"

(MCL 490.1 to 490.31) by adding section 10a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 10A. (1) IF A CREDIT UNION 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

1 REQUIREMENT THE CREDIT UNION SHALL NOTIFY THE MORTGAGEE AND  
2 DISCONTINUE THE PRIVATE MORTGAGE INSURANCE.  
3 (2) AS USED IN THIS SECTION, "PRIVATE MORTGAGE INSURANCE"  
4 MEANS INSURANCE OBTAINED TO PROTECT THE MORTGAGOR AGAINST BOR-  
5 ROWER DEFAULT.