

HOUSE BILL No. 4199

February 9, 1999, Introduced by Reps. Brewer, Kelly, Hale, Bogardus, Dennis and O'Neil and referred to the Committee on Insurance and Financial Services.

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 32.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 32. (1) A CREDIT UNION SHALL NOT REQUIRE AS A CONDI-
2 TION OF APPROVING A REFINANCING MORTGAGE LOAN THAT THE MORTGAGOR
3 OBTAIN NEW TITLE INSURANCE IF TITLE INSURANCE WAS ISSUED WITH THE
4 MORTGAGE LOAN THAT IS BEING REFINANCED.

1 (2) AS USED IN THIS SECTION:

2 (A) "REFINANCING MORTGAGE LOAN" MEANS A LOAN THAT IS A
3 REFINANCING OF AN EXISTING MORTGAGE LOAN ON REAL PROPERTY
4 DESIGNED FOR OCCUPANCY BY 4 OR FEWER FAMILIES.

5 (B) "TITLE INSURANCE" MEANS THE INSURING, GUARANTEEING, OR
6 INDEMNIFYING OF DESIGNATED OWNERS OF REAL ESTATE OR AN INTEREST
7 IN REAL ESTATE AGAINST LOSS OR DAMAGE THAT MAY RESULT BECAUSE THE
8 TITLE IS VESTED IN A MANNER OTHERWISE THAN AS STATED IN THE TITLE
9 INSURANCE POLICY, BECAUSE THE TITLE IS UNMARKETABLE, OR BECAUSE
10 THE TITLE IS SUBJECT TO LIENS, ENCUMBRANCES, OR OTHER MATTERS
11 ADVERSELY AFFECTING THE RIGHTS OF USE, ENJOYMENT, OR DISPOSITION
12 OF THE REAL ESTATE, AND NOT EXCEPTED IN THE POLICY, ALL IN
13 ACCORDANCE WITH THE TERMS OF A TITLE INSURANCE POLICY APPROVED AS
14 TO SUBSTANCE AND FORM, OR DOING ANYTHING EQUIVALENT IN SUBSTANCE
15 TO ANY OF THE FOREGOING IN A MANNER DESIGNED TO EVADE THE PROVI-
16 SIONS OF THIS ACT.