



HOUSE BILL No. 4872

September 28, 1999, Introduced by Reps. Schermesser, Wojno, O'Neill, Spade, Basham, DeHart, Hale, Garza, Daniels, Scott, Bogardus, Schauer and Brater and referred to the Committee on Insurance and Financial Services.

A bill to amend 1969 PA 319, entitled
"Banking code of 1969,"
(MCL 487.301 to 487.598) by adding section 151k.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 151K. (1) IF A BANK AS A MORTGAGEE REQUIRES PRIVATE
2 MORTGAGE INSURANCE AS A CONDITION OF MAKING A MORTGAGE LOAN, THE
3 BANK SHALL PROVIDE THE MORTGAGOR INFORMATION AS REQUIRED UNDER
4 THE MORTGAGE INSURANCE LIMITATION AND NOTIFICATION ACT.

5 (2) AS USED IN THIS SECTION:

6 (A) "MORTGAGE" MEANS AN EXTENSION OF CREDIT SECURED BY A
7 FIRST LIEN ON A SINGLE FAMILY RESIDENCE IN THIS STATE WHICH IS,
8 AT THE TIME OF THE EXTENSION OF CREDIT, INTENDED TO BE OWNER
9 OCCUPIED.

10 (B) "MORTGAGE GUARANTY INSURANCE" MEANS INSURANCE TO PROTECT
11 A MORTGAGEE AGAINST THE NONPAYMENT OF OR DEFAULT ON A MORTGAGE,

1 THE PREMIUMS OF WHICH ARE PAID BY THE MORTGAGOR AND ON WHICH THE
2 MORTGAGEE IS THE NAMED INSURED.

3 (C) "MORTGAGEE" MEANS A PERSON THAT MAKES A MORTGAGE.

4 (D) "MORTGAGOR" MEANS AN INDIVIDUAL WHO HAS GIVEN A MORTGAGE
5 FOR WHICH THE MORTGAGEE HAS REQUIRED PRIVATE MORTGAGE INSURANCE.

6 (E) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, PARTNERSHIP,
7 ASSOCIATION, GOVERNMENTAL ENTITY, OR ANY OTHER LEGAL ENTITY.

8 (F) "PRIVATE MORTGAGE INSURANCE" OR "PMI" MEANS MORTGAGE
9 GUARANTY INSURANCE OTHER THAN MORTGAGE INSURANCE MADE AVAILABLE
10 UNDER THE NATIONAL HOUSING ACT, CHAPTER 847, 48 STAT. 1246, TITLE
11 38 OF THE UNITED STATES CODE, 38 U.S.C. 101 TO 8528, OR TITLE V
12 OF CHAPTER 338, 63 STAT. 432, 42 U.S.C. 1471 TO 1474, 1475 TO
13 1481, 1483 TO 1487, 1489 TO 1490f, 1490h, 1490j TO 1490o, AND
14 1490p-1 TO 1490r.

15 Enacting section 1. This amendatory act does not take
16 effect unless Senate Bill No. _____ or House Bill No. _____
17 (request no. 00669'99 a) of the 90th Legislature is enacted into
18 law.