

SENATE BILL No. 698

October 11, 2001, Introduced by Senators GARCIA, STEIL, GOUGEON, SHUGARS, JOHNSON, BULLARD, NORTH, SCOTT, EMERSON, BENNETT, STILLE, LELAND, HAMMERSTROM, GOSCHKA, MILLER, KOIVISTO, DINGELL, YOUNG and EMMONS and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1999 PA 276, entitled
"Banking code of 1999,"
(MCL 487.11101 to 487.15105) by adding section 4201a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4201A. (1) A BANK MAY CHARGE INTEREST ON THE OUTSTAND-
2 ING PRINCIPAL OF A LOAN TRANSACTION BEGINNING ON THE DATE THE
3 FUNDS UNDER THE LOAN ARE DISBURSED TO THE BORROWER.

4 (2) A BANK SHALL NOT CHARGE INTEREST ON THE OUTSTANDING
5 PRINCIPAL OF A LOAN TRANSACTION ON THE DATE THE BANK RECEIVES THE
6 REQUIRED FUNDS TO SATISFY THE BORROWER'S OBLIGATION UNDER THE
7 LOAN AGREEMENT.