

# SENATE BILL No. 700

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

A bill to amend 1981 PA 125, entitled  
"The secondary mortgage loan act,"  
(MCL 493.51 to 493.81) by adding section 21a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 21A. (1) A LICENSEE MAY CHARGE INTEREST ON THE OUT-  
2        STANDING PRINCIPAL OF A LOAN TRANSACTION BEGINNING ON THE DATE  
3        THE FUNDS UNDER THE LOAN ARE DISBURSED TO THE BORROWER.

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