

SENATE BILL No. 702

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

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 or any other federally insured depository institution 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 or any other federally insured depository institution 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) A CREDIT UNION MAY CHARGE INTEREST ON THE
2 OUTSTANDING PRINCIPAL OF A LOAN TRANSACTION BEGINNING ON THE DATE
3 THE FUNDS UNDER THE LOAN ARE DISBURSED TO THE BORROWER.
4 (2) A CREDIT UNION SHALL NOT CHARGE INTEREST ON THE
5 OUTSTANDING PRINCIPAL OF A LOAN TRANSACTION ON THE DATE THE

- 1 CREDIT UNION RECEIVES THE REQUIRED FUNDS TO SATISFY THE
- 2 BORROWER'S OBLIGATION UNDER THE LOAN AGREEMENT.