

# Legislative Analysis

---



## **BANKS: EXTEND TIME PERIOD FOR WRITING OFF BAD DEBTS**

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4743**

**Sponsor: Rep. Darwin Booher**

**House Bill 4749**

**Sponsor: Rep. Ed Clemente**

**Committee: Banking and Financial Services**

**Complete to 4-1-09**

## **A SUMMARY OF HOUSE BILLS 4743 AND 4749 AS INTRODUCED 3-31-09**

With some exceptions, a bank is required to write off a debt on which interest is past due and unpaid for a period of *six months*. House Bills 4743 and 4749 would extend this time period to *12 months*.

(Charging off debts is not required if "debts are well secured and in process of collection or the debts constitute claims against solvent estates in probate.")

House Bill 4743 would amend the Banking Code (MCL 487.14205) to apply to banks.

House Bill 4749 would amend the Savings Bank Act (MCL 487.3512) to apply to savings banks.

## **FISCAL IMPACT:**

The bills would have no fiscal impact on the Office of Financial and Insurance Regulation (OFIR).

Legislative Analyst: Susan Stutzky  
Fiscal Analyst: Mark Wolf

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.