

MORTGAGE LENDING PRACTICES (EXCERPT)
Act 135 of 1977

445.1603 Lending policies and criteria; loan application procedures and contract terms.

Sec. 3. (1) Except as otherwise prohibited in section 2, lending policies and criteria of a credit granting institution used in the consideration of a loan application shall include without limitation the following:

(a) Consideration of the credit eligibility of the applicant and the market value of a proposed security.

(b) Consideration of those factors, known to the credit granting institution, as the presence of active community and neighborhood organization, the presence of government, nonprofit, and private programs in the neighborhood intended to eliminate negative environmental influences, other revitalization efforts, and any other factors potentially mitigating the effect of physical decline.

(2) A credit granting institution may employ different loan application procedures and contract terms for loans to construct new dwellings as compared to loans to purchase existing dwellings.

History: 1977, Act 135, Eff. July 1, 1978.