

**SAVINGS BANK ACT (EXCERPT)**  
**Act 354 of 1996**

**487.3430 Interest and charges on loans and credit extensions.**

Sec. 430. (1) Savings banks may collect interest and charges on loans and extensions of credit, including open-end credit to any person, as follows:

(a) As permitted by the credit reform act, 1995 PA 162, MCL 445.1851 to 445.1864.

(b) On obligations purchased by the savings bank, the savings bank may charge a discount.

(c) On a loan not covered by subdivision (a) or (b), a savings bank may charge, collect, and receive interest and other charges in the same manner and at up to maximum rate or amount permitted by law for the same type of loans made by national banking associations authorized to do business in this state.

(d) On a loan not covered by subdivision (a), (b), or (c), as otherwise permitted by law.

(2) A savings bank or any officer or employee of the savings bank shall not, directly or indirectly, take or receive more than the rate of interest allowed by law in advance on its loans and discounts.

(3) Except as otherwise provided by law, an investigation fee or handling charge in connection with any transaction shall not be considered as interest.

(4) A savings bank may pay interest on any deposit that is payable on demand, unless the commissioner by rule, or order, or declaratory ruling restricts the right of the savings bank to pay interest on demand deposits or unless restricted by federal law.

**History:** 1996, Act 354, Imd. Eff. July 1, 1996;—Am. 2000, Act 482, Imd. Eff. Jan. 11, 2001.