

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

490.424 Property and casualty insurance as condition to mortgage loan.

Sec. 424. (1) Except as provided in subsection (2), a domestic credit union that requires a mortgagor to maintain property and casualty insurance as a condition to receiving a mortgage loan shall not require an amount of property and casualty insurance that is greater than the replacement cost of the mortgaged building or buildings.

(2) A domestic credit union may require an amount of property and casualty insurance that is required of the domestic credit union as a condition of a sale, transfer, or assignment of all or part of the mortgage to a third party. This subsection does not require that the domestic credit union anticipate a sale, transfer, or assignment at the time the mortgage loan is made.

History: 2003, Act 215, Eff. June 1, 2004.