

SAVINGS AND LOAN ACT OF 1980 (EXCERPT)
Act 307 of 1980

491.730 Loan charges and fees; loan settlement statement.

Sec. 730. (1) An association, or a federal association, except as federal law or regulation provides otherwise, may require a borrower to pay reasonable and necessary charges which are actual expenses incurred by the association or federal association in connection with the making, closing, disbursing, modifying, renewing, or refinancing of a real estate loan, plus a loan processing fee. Actual expenses include those incurred for recording, title examination and abstracting, mortgagee's title insurance, mortgage insurance, appraisal, survey, credit report, construction draws, and preparation of papers. In addition, an association or federal association may require a borrower to pay a fee to fund the specific reserve permitted with respect to a real estate loan made pursuant to section 702(2)(a)(ii), if a fee structure for this purpose has been approved by the supervisor. An association or federal association may also require a borrower to pay reasonable and necessary charges which are the actual expenses incurred by the lender in connection with the making, closing, disbursing, extending, readjusting, or renewing of a loan authorized by section 704 and may require a borrower to pay a loan processing fee. Charges pursuant to this subsection shall be in addition to the interest authorized by law and are not part of the interest collected or agreed to be paid on a loan within the meaning of a law that limits the rate of interest which may be exacted in such a transaction.

(2) Loan costs paid by a borrower under this section shall be in addition to interest authorized by law, shall not be considered to be a part of the interest collected or agreed to be paid on the loan within the meaning of a law of this state which limits the rate of interest which may be exacted in a transaction, and shall not be considered to violate a law of this state.

(3) An association shall furnish a detailed loan settlement statement to each borrower upon the closing of the loan, indicating the loan costs paid or to be paid by the borrower under this section. A copy of the statement shall be retained in the records of the association for not less than 25 months after the closing of the loan. A settlement statement furnished to a borrower that is designed to comply with the real estate settlement procedures act of 1974, 12 U.S.C. 1730f, 1831b, and 2607 to 2617, shall be considered to satisfy the requirements of this section.

History: 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1981, Act 114, Imd. Eff. July 17, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987