



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 537 (Substitute S-1 as reported)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

CONTENT

The bill would amend the credit union Act to specify that a credit union that required a mortgagor to maintain property/casualty insurance as a condition to receiving a mortgage loan could not require the amount of the property/casualty insurance to be greater than the replacement cost of the mortgaged building or buildings. A bank could require, however, an amount of property/casualty insurance that was required of the bank as a condition of a sale, transfer, or assignment of all or part of the mortgage to a third party. The bill would not require that a bank anticipate a sale, transfer, or assignment at the time the mortgage loan was made.

Proposed MCL 490.16b

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would not affect the fiscal requirements or the borrowing or lending activities and programs of the Department of Commerce or of local governmental units.

Date Completed: 5-19-95

Fiscal Analyst: K. Lindquist