445.1862 Violation of act; exceptions.

Sec. 12. (1) A regulated lender is not liable for a violation of this act if the regulated lender has fully complied with the federal truth-in-lending act, Public Law 90-321, 15 U.S.C. 1601 to 1667e and shows that the violation was an unintentional and bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error. Examples of a bona fide error include clerical, calculation, computer malfunction, programming, or printing errors. An error in legal judgment with respect to a person's obligations under this act is not a bona fide error.

(2) A regulated lender is not liable for a violation of this act if, within 60 days after discovering the violation and before the institution of an action under section 11, the regulated lender notifies the borrower or buyer of the violation and corrects the violation in a manner that, to the extent it is reasonably possible to do so, restores the borrower or buyer to the position in which the borrower or buyer would have been if the violation had not occurred.

(3) The burden of proving that a violation was an unintentional and bona fide error is on the regulated lender.


Compiler's note: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.