



**House
Legislative
Analysis
Section**

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INTEREST ON EMPLOYEE LOANS

House Bill 5100

Sponsor: Rep. Ken Sikkema

Committee: Commerce

Complete to 11-27-95

A SUMMARY OF HOUSE BILL 5100 AS INTRODUCED 9-21-95

The Business Corporation Act currently allows a corporation to lend money to, guarantee an obligation of, or otherwise assist the director or an officer or employee of the firm or one of its subsidiaries if the corporate board determined that doing so would benefit the firm. The bill would amend the act to specify that a loan issued under this provision to an officer or employee of the firm or one of its subsidiaries could be made at any rate of interest not exceeding the rate of interest allowed under Public Act 259 of 1968 (that is, no more than 25 percent annual interest).

MCL 450.1548

House Bill 5100 (11-27-95)

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