

HOUSE BILL No. 5382

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and referred to the Committee on Commerce.

A bill to amend 1980 PA 307, entitled
"Savings and loan act of 1980,"
(MCL 491.102 to 491.1202) by adding section 702b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 702B. (1) IF AN ASSOCIATION REQUIRES A MORTGAGEE TO
2 OBTAIN PRIVATE MORTGAGE INSURANCE AS A CONDITION OF RECEIVING A
3 MORTGAGE LOAN WITH A LOAN TO VALUE RATIO ABOVE A CERTAIN PERCENTAGE,
4 WHEN THE LOAN BALANCE HAS DROPPED BELOW THE EQUITY REQUIRE-
5 MENT THE ASSOCIATION SHALL NOTIFY THE MORTGAGEE AND DISCONTINUE
6 THE PRIVATE MORTGAGE INSURANCE.

7 (2) AS USED IN THIS SECTION, "PRIVATE MORTGAGE INSURANCE"
8 MEANS INSURANCE OBTAINED TO PROTECT THE MORTGAGOR AGAINST BOR-
9 ROWER DEFAULT.