

HOUSE BILL No. 6138

September 17, 1998, Introduced by Reps. Brewer, Griffin, Frank, Leland and Murphy and referred to the Committee on Commerce.

A bill to amend 1996 PA 354, entitled
"Savings bank act,"
(MCL 487.3101 to 487.3804) by adding section 513.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 513. (1) A SAVINGS BANK SHALL NOT REQUIRE AS A CONDI-
2 TION OF APPROVING A REFINANCING MORTGAGE LOAN THAT THE MORTGAGOR
3 OBTAIN NEW TITLE INSURANCE IF TITLE INSURANCE WAS ISSUED WITH THE
4 MORTGAGE LOAN THAT IS BEING REFINANCED.

5 (2) AS USED IN THIS SECTION:

6 (A) "REFINANCING MORTGAGE LOAN" MEANS A LOAN THAT IS A REFI-
7 NANCING OF AN EXISTING MORTGAGE LOAN ON REAL PROPERTY DESIGNED
8 FOR OCCUPANCY BY 4 OR FEWER FAMILIES.

9 (B) "TITLE INSURANCE" MEANS THE INSURING, GUARANTEEING, OR
10 INDEMNIFYING OF DESIGNATED OWNERS OF REAL ESTATE OR ANY INTEREST
11 IN REAL ESTATE AGAINST LOSS OR DAMAGE THAT MAY RESULT BECAUSE THE

1 TITLE IS VESTED IN A MANNER OTHERWISE THAN AS STATED IN THE TITLE
2 INSURANCE POLICY, BECAUSE THE TITLE IS UNMARKETABLE, OR BECAUSE
3 THE TITLE IS SUBJECT TO LIENS, ENCUMBRANCES, OR OTHER MATTERS
4 ADVERSELY AFFECTING THE RIGHTS OF USE, ENJOYMENT, OR DISPOSITION
5 OF THE REAL ESTATE, AND NOT EXCEPTED IN THE POLICY, ALL IN
6 ACCORDANCE WITH THE TERMS OF A TITLE INSURANCE POLICY APPROVED AS
7 TO SUBSTANCE AND FORM, OR DOING ANYTHING EQUIVALENT IN SUBSTANCE
8 TO ANY OF THE FOREGOING IN A MANNER DESIGNED TO EVADE THE PROVI-
9 SIONS OF THIS CHAPTER.