

SENATE BILL No. 699

October 11, 2001, Introduced by Senators GARCIA, STEIL, GOUGEON, JOHNSON, SHUGARS, BULLARD, NORTH, SCOTT, EMERSON, HART, BENNETT, STILLE, LELAND, HAMMERSTROM, GOSCHKA, MILLER, KOIVISTO, DINGELL, YOUNG and EMMONS and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1996 PA 354, entitled "Savings bank act," (MCL 487.3101 to 487.3804) by adding section 430a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 430A. (1) A SAVINGS BANK MAY CHARGE INTEREST ON THE
2 OUTSTANDING PRINCIPAL OF A LOAN TRANSACTION BEGINNING ON THE DATE
3 THE FUNDS UNDER THE LOAN ARE DISBURSED TO THE BORROWER.
4 (2) A SAVINGS BANK SHALL NOT CHARGE INTEREST ON THE OUT-
5 STANDING PRINCIPAL OF A LOAN TRANSACTION ON THE DATE THE SAVINGS
6 BANK RECEIVES THE REQUIRED FUNDS TO SATISFY THE BORROWER'S OBLI-
7 GATION UNDER THE LOAN AGREEMENT.