

# SENATE BILL No. 703

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

A bill to amend 1980 PA 307, entitled  
"Savings and loan act of 1980,"  
(MCL 491.102 to 491.1202) by adding section 718a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 718A. (1) AN ASSOCIATION 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) AN ASSOCIATION SHALL NOT CHARGE INTEREST ON THE OUT-  
5 STANDING PRINCIPAL OF A LOAN TRANSACTION ON THE DATE THE ASSOCIA-  
6 TION RECEIVES THE REQUIRED FUNDS TO SATISFY THE BORROWER'S OBLI-  
7 GATION UNDER THE LOAN AGREEMENT.