

DISCLOSURES AS TO LOANS FOR EDUCATIONAL PURPOSES (EXCERPT)
Act 167 of 1976

390.1222 Delivery of written statement to borrower; time; contents.

Sec. 2.

(1) At the time a loan is made, and again immediately before a repayment schedule on the loan is signed by the borrower, the lender shall deliver a written statement to the borrower describing in detail whether an option exists, and if so, who may exercise the option, under what conditions the option may be exercised, and what options are available relating to:

- (a) The term of the loan.
 - (b) The repayment period on the loan.
 - (c) An extension of the term or repayment period on the loan and the conditions of repayment under the extension.
 - (d) A deferment or forbearance on the repayment of the loan or on interest accruing on the loan, whether interest is to be paid during the deferment or forbearance, and the terms of repayment after the deferment or forbearance.
 - (e) The period of time between installment payments on the loan and whether graduated or unequal installment payments may be made.
 - (f) The minimum annual payment on the loan, and if more than 1 loan is taken from the lender or if the borrower takes or has taken a loan from another source, the availability of consolidation, transfer, or assignment of the loans and the minimum annual payment on the aggregate of the loans.
 - (g) The granting of an interview before or at the time the borrower signs a repayment schedule on the loan.
 - (h) The revision or renegotiation of the repayment schedule on the loan after repayment has commenced, or if other loans from the lender or another lender are taken after the repayment has commenced.
- (2) If an item required to be disclosed under subsection (1) is unknown to the lender, the lender shall state this in the manner prescribed in subsection (1).

History: 1976, Act 167, Imd. Eff. June 25, 1976