

PREPAID FUNERAL AND CEMETERY SALES ACT (EXCERPT)
Act 255 of 1986

328.226 Prepaid funeral contract not in writing as voidable; agreement as to rate of interest; interest added or deducted in advance; computation of interest; financing of contract.

Sec. 16. (1) A prepaid contract that is not in writing is voidable by any party to the prepaid contract.

(2) A prepaid contract made in violation of this act or with a person who is not registered pursuant to section 6 is voidable by the contract buyer or by a personal representative of the contract beneficiary.

(3) The parties to a prepaid contract may agree in writing for the payment of a rate of interest not to exceed 10.5% per annum with the following conditions:

(a) A prepaid contract made under this act shall not provide for a rate of interest added or deducted in advance. Interest shall be computed from time to time only on the basis of unpaid balances.

(b) A prepaid contract made under this act shall not provide that the rate of interest initially effective may be increased for any reason.

(c) A contract seller shall not impose any fees or charges in addition to interest in connection with the financing of a prepaid contract.

(4) A contract seller shall not offer financing or offer to obtain financing of a prepaid contract under terms and conditions other than allowed by this section.

History: 1986, Act 255, Eff. July 1, 1987;—Am. 2004, Act 21, Eff. Jan. 1, 2005.

Compiler's note: For transfer of powers and duties of certain occupational functions, boards, and commissions from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws.