

SAVINGS BANK ACT (EXCERPT)
Act 354 of 1996

487.3511 Property or casualty insurance as condition to mortgage loan.

Sec. 511.

(1) Except as provided in subsection (2), a savings bank that requires a mortgagor to maintain property or casualty insurance as a condition to receiving a mortgage loan shall not require the amount of the property or casualty insurance to be greater than the replacement cost of the mortgaged building or buildings.

(2) A savings bank may require an amount of property or casualty insurance that is required of the savings bank as a condition of a sale, transfer, or assignment of all or part of the mortgage to a third party. This subsection does not require that the savings bank anticipate a sale, transfer, or assignment at the time the mortgage loan is made.

History: 1996, Act 354, Imd. Eff. July 1, 1996