

**SAVINGS AND LOAN ACT OF 1980 (EXCERPT)**  
**Act 307 of 1980**

**491.720 Application of payments on real estate loans.**

Sec. 720. Unless otherwise agreed upon by the association and a borrower, payments on real estate loans shall be applied first to the payment of interest on the unpaid balance of the loan and the remainder to the reduction of principal. If the real estate loan is in default in any manner, payments may be applied as determined by the lending association.

**History:** 1980, Act 307, Eff. Jan. 1, 1981.