

CREDIT CARD ARRANGEMENTS (EXCERPT)
Act 379 of 1984

493.110 Maximum interest; computation; fee; offer of loan or credit in connection with other accounts, services, or similar agreements; prohibited conditions.

Sec. 10.

(1) On a loan made or credit extended pursuant to a credit card arrangement, a licensee may collect interest not to exceed 1.5% of the unpaid balance per month. The interest shall not be precomputed but computed from time to time on the basis of the unpaid balances. In addition to collecting the interest permitted by this subsection, a licensee may assess a fee for the privilege of having a credit card or charge card if the fee is not computed as a percentage of the unpaid balance.

(2) A loan made or credit extended pursuant to a credit card arrangement authorized by this act may be offered in connection with other accounts, services, or other similar agreements not regulated by this act or any other applicable statute. A licensee may offer for sale and finance credit life insurance or credit accident and health insurance as defined in the credit insurance act, Act No. 173 of the Public Acts of 1958, being sections 550.601 to 550.624 of the Michigan Compiled Laws, or any other insurance pursuant to the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.100 to 500.8302 of the Michigan Compiled Laws.

(3) The making of a loan or extension of credit pursuant to a credit card arrangement shall not be conditioned on the requirement that insurance as described in subsection (2) be obtained or that any other goods or services be purchased as a condition of the privilege of obtaining a credit card or charge card.

History: 1984, Act 379, Imd. Eff. Dec. 28, 1984 ;-- Am. 1987, Act 171, Imd. Eff. Nov. 16, 1987 ;-- Am. 1994, Act 386, Eff. Mar. 30, 1995

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.