

HOUSE BILL No. 4029

February 1, 1989, Introduced by Rep. Perry Bullard and referred to the Committee on Corporations and Finance.

A bill to amend section 8 of Act No. 217 of the Public Acts of 1985, entitled

"An act to establish an employee-owned corporation revolving loan fund; to prescribe the powers and duties of certain state departments and employee-owned corporations; and to make an appropriation,"

being section 450.808 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 8 of Act No. 217 of the Public Acts of
2 1985, being section 450.808 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 8. The department shall establish the interest rate at
5 which money may be loaned under this act. ~~However, the minimum~~
6 ~~interest rate at which money may be loaned is 6% less than the~~
7 ~~current United States treasury rate for a loan of a similar size,~~
8 ~~purpose, and period of maturity, or the maximum interest rate~~

1 ~~permitted under section 1a of the municipal finance act, Act~~
2 ~~No. 202 of the Public Acts of 1943, being section 133.1a of the~~
3 ~~Michigan Compiled Laws, whichever is less.~~ AT THE TIME OF THE
4 LOAN CLOSING, THE INTEREST RATE CHARGED BY THE DEPARTMENT SHALL
5 BE SET AT 3% LESS THAN THE PRIME RATE AS PUBLISHED IN THE PREVI-
6 OUS MONDAY EDITION OF THE WALL STREET JOURNAL, BUT SHALL NOT BE
7 GREATER THAN 12%.