

HOUSE BILL No. 5204

October 18, 1989, Introduced by Reps. Honigman, Gire, Scott, Ciaramitaro, Jondahl, Gubow, Van Regenmorter, Clack and Hoekman and referred to the Committee on Corporations and Finance.

A bill to amend Act No. 173 of the Public Acts of 1987, entitled
"Mortgage brokers, lenders, and services licensing act," as amended, being sections 445.1651 to 445.1683 of the Michigan Compiled Laws, by adding section 23a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 173 of the Public Acts of 1987, as
2 amended, being sections 445.1651 to 445.1683 of the Michigan
3 Compiled Laws, is amended by adding section 23a to read as
4 follows:

5 SEC. 23A. A MORTGAGE LENDER WHICH REQUIRES AN ESCROW
6 ACCOUNT FOR A LOAN MADE BY THE LENDER SHALL DO BOTH OF THE
7 FOLLOWING:

8 (A) PROVIDE INTEREST ON THE BALANCE OF THE ESCROW ACCOUNT AT
9 A RATE NOT LESS THAN THE RATE OF INTEREST ALLOWED BY THE BOARD OF

1 GOVERNORS OF THE FEDERAL RESERVE SYSTEM TO BE PAID BY ITS MEMBER
2 BANKS ON SAVINGS DEPOSITS.

3 (B) PROVIDE WRITTEN VERIFICATION OF NEED TO THE DEBTOR PRIOR
4 TO INCREASING THE AMOUNT THE LENDER WILL REQUIRE TO BE DEPOSITED
5 BY THE DEBTOR IN THE ESCROW ACCOUNT.