

HOUSE BILL No. 5205

October 18, 1989, Introduced by Reps. Gire, DeMars, DeBeaussaert, Jondahl, Honigman, Barns, Harrison, Joe Young, Sr., Joe Young, Jr., Stallworth, Scott, Johnson, Bennane, Pitoniak, Gubow, Clack and Hoekman and referred to the Committee on Corporations and Finance.

A bill to amend Act No. 125 of the Public Acts of 1981,
entitled as amended

"An act to define and regulate secondary mortgage loans and other unsecured loans; to prescribe powers and duties of the financial institutions bureau and certain state agencies; to provide for the establishment of a financial institutions bureau operations fund; to provide for the promulgation of rules; and to provide for civil fines and penalties,"

as amended, being sections 493.51 to 493.81 of the Michigan
Compiled Laws, by adding section 24a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Section 1. Act No. 125 of the Public Acts of 1981, as
2 amended, being sections 493.51 to 493.81 of the Michigan Compiled
3 Laws, is amended by adding section 24a to read as follows:
4 SEC. 24A. A LICENSEE WHICH REQUIRES AN ESCROW ACCOUNT FOR A
5 LOAN MADE BY THE LICENSEE SHALL DO BOTH OF THE FOLLOWING:

1 (A) PROVIDE INTEREST ON THE BALANCE OF THE ESCROW ACCOUNT AT
2 A RATE NOT LESS THAN THE RATE OF INTEREST ALLOWED BY THE BOARD OF
3 GOVERNORS OF THE FEDERAL RESERVE SYSTEM TO BE PAID BY ITS MEMBER
4 BANKS ON SAVINGS DEPOSITS.

5 (B) PROVIDE WRITTEN VERIFICATION OF NEED TO THE DEBTOR PRIOR
6 TO INCREASING THE AMOUNT THE LICENSEE WILL REQUIRE TO BE DEPOS-
7 ITED BY THE DEBTOR IN THE ESCROW ACCOUNT.