

HOUSE BILL No. 5203

October 18, 1989, Introduced by Reps. Perry Bullard, Gire, Gubow, DeBeaussaert, Ciaramitaro, Jondahl, Honigman and Hoekman and referred to the Committee on Corporations and Finance.

A bill to amend Act No. 285 of the Public Acts of 1925,
entitled as amended

"An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions,"

as amended, being sections 490.1 to 490.31 of the Michigan Compiled Laws, by adding section 14a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 285 of the Public Acts of 1925, as
2 amended, being sections 490.1 to 490.31 of the Michigan Compiled
3 Laws, is amended by adding section 14a to read as follows:

1 SEC. 14A. A CREDIT UNION WHICH REQUIRES AN ESCROW ACCOUNT
2 FOR A LOAN MADE BY THE CREDIT UNION SHALL DO BOTH OF THE
3 FOLLOWING:

4 (A) PROVIDE INTEREST ON THE BALANCE OF THE ESCROW ACCOUNT AT
5 THE SAME RATE AND IN THE SAME MANNER AS PROVIDED FOR ON THE
6 CREDIT UNION'S SHARE OR SAVINGS DEPOSIT ACCOUNTS.

7 (B) PROVIDE WRITTEN VERIFICATION OF NEED TO THE DEBTOR PRIOR
8 TO INCREASING THE AMOUNT THE CREDIT UNION WILL REQUIRE TO BE
9 DEPOSITED BY THE DEBTOR IN THE ESCROW ACCOUNT.