



June 15, 2011

The Honorable Marty Knollenberg  
Chairman, House Banking and Financial Services Committee  
P.O. Box 30014  
Lansing, MI 48909-7514

RE: HB 4543 (H-4)

Dear Chairman Knollenberg,

Michigan's credit unions continue to lead the financial sector in working with struggling borrowers to stay in their homes and avoid foreclosure, whenever possible. While there continues to be a heightened number of foreclosures in the marketplace, we understand the importance of ensuring borrowers have the ability to explore whether a mutual remedy with their lender is possible in their specific situation.

As introduced, HB 4543 sponsored by Rep. Peter Pettalia would amend section 3205e of the Revised Judicature Act of 1961 to extend the current 90-day workout period sunset scheduled for July 5, 2011 for an additional year. We have received communication from the House Banking and Financial Services Committee that a substitute bill shortening that sunset extension to six months will be considered before the body. This would allow the current 90-day workout period to continue for an additional shortened period of time while lawmakers consider seeking other proactive changes to the foreclosure process prior to the end of the year.

The Michigan Credit Union League & Affiliates are neutral on the substitute language allowing for a six month extension for the sunset as we look forward to continuing to work with Committee members in the future on ways to achieve a more efficient foreclosure process that permits institutions to re-market properties more readily and reduce the number of unoccupied homes affecting our neighborhoods and communities, while also balancing the concerns of consumers. Financial institutions do not like to foreclose on borrowers, as they share a vested interest in the strength of the communities where they do business, however the costs of the foreclosure process incurred by Michigan credit unions are significant and continue to hinder their ability to lend.

Therefore, we have greatly appreciated the opportunity to offer suggested changes to the legislation and look forward to working with you in the upcoming months on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "David Adams", is written over a white background.

David Adams  
Chief Executive Officer

cc: Members of the House Banking and Financial Services Committee