



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5666 (as reported without amendment)
Sponsor: Representative Alvin Kukuk
House Committee: Commerce
Senate Committee: Financial Services

CONTENT

The bill would amend Public Act 135 of 1977, which prohibits certain mortgage lending practices by credit-granting institutions, to revise the minimum mortgage and home improvement loan amounts in the written notice that must be posted in a credit-granting institution, in order to reflect the current minimum mortgage and home improvement loan requirements.

The Act requires a credit-granting institution to post a written notice in a conspicuous place to apprise a loan applicant of his or her rights, and prescribes the content of the notice. Currently, the notice must state that it is illegal to establish a minimum mortgage amount of more than \$5,000, or a minimum home improvement loan of more than \$500. Public Act 43 of 1993, however, amended Public Act 135 to raise the \$5,000 amount to \$10,000 and the \$500 amount to \$1,000. The bill would require the written notice to reflect the larger amounts.

Further, the written notice currently must include the address and phone number of the Financial Institutions Bureau (FIB). The bill would delete the requirement that the FIB address be included in the notice.

MCL 445.1605

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-23-96

Fiscal Analyst: M. Barsch