



HOUSE BILL No. 5666

March 7, 1996, Introduced by Rep. Kukuk and referred to the Committee on Commerce.

A bill to amend section 5 of Act No. 135 of the Public Acts of 1977, entitled as amended

"An act to prohibit certain mortgage lending practices by a credit granting institution; to prescribe the powers and duties of the commissioner of the financial institutions bureau in relation to those practices; to permit the establishment of local mortgage review boards; and to provide remedies and penalties,"

being section 445.1605 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 5 of Act No. 135 of the Public Acts of
2 1977, being section 445.1605 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 5. (1) A credit granting institution shall post a
5 written notice in a conspicuous place to reasonably apprise a
6 loan inquirer or applicant of his or her rights under this act in
7 the institution's main office and each branch office or service
8 center in the following language:

1 Notice to inquirers and loan applicants

2 You have a right to submit a written application for a mort-
3 gage loan or a home improvement loan or to request written infor-
4 mation concerning typical loan terms that we are currently offer-
5 ing on mortgage loans and home improvement loans. It is illegal
6 to establish a minimum mortgage amount of more than ~~-\$5,000.00-~~
7 \$10,000.00 or a minimum home improvement loan of more than
8 ~~-\$500.00-~~ \$1,000.00. It is illegal to deny a loan or vary the
9 terms and conditions of a loan because of the racial or ethnic
10 trends or characteristics of the neighborhood or the age of the
11 structure, but not because of its physical condition. If your
12 application for a loan is rejected, you have a right to a written
13 statement of the reason for the rejection. If you are granted a
14 loan but the amount required for down payment, the interest rate,
15 term to maturity, application procedure, or other terms or condi-
16 tions of the loan vary from terms or conditions offered in other
17 neighborhoods, you have a right to a written statement of the
18 reasons for the variation. The rights described in this notice
19 are set forth in and limited by (cite this act). If you believe
20 that your rights under this act have been violated, you should
21 contact the financial institutions bureau of the Michigan depart-
22 ment of commerce.

23 (2) The current ~~address and phone~~ TELEPHONE number of the
24 financial institutions bureau shall be included in the notice set
25 forth in subsection (1).