

SENATE BILL No. 701

October 11, 2001, Introduced by Senators GARCIA, STEIL, GOUGEON, SHUGARS, JOHNSON, BULLARD, NORTH, EMERSON, HART, BENNETT, STILLE, LELAND, HAMMERSTROM, GOSCHKA, MILLER, KOIVISTO, DINGELL, YOUNG and EMMONS and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
(MCL 445.1651 to 445.1684) by adding section 23a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 23A. (1) A LICENSEE MAY CHARGE INTEREST ON THE OUT-
2 STANDING PRINCIPAL OF A LOAN TRANSACTION BEGINNING ON THE DATE
3 THE FUNDS UNDER THE LOAN ARE DISBURSED TO THE BORROWER.

4 (2) A LICENSEE SHALL NOT CHARGE INTEREST ON THE OUTSTANDING
5 PRINCIPAL OF A LOAN TRANSACTION ON THE DATE THE LICENSEE RECEIVES
6 THE REQUIRED FUNDS TO SATISFY THE BORROWER'S OBLIGATION UNDER THE
7 LOAN AGREEMENT.