

**CREDIT REFORM ACT (EXCERPT)**  
**Act 162 of 1995**

**445.1859 Additional financial services as condition for loan approval prohibited; offer of services; certain transactions or requirements not prohibited; applicability of section to depository institution subject to 12 U.S.C. 1972; definitions.**

Sec. 9.

(1) A regulated lender shall not require as a condition of approving a loan that the borrower contract for 1 or more additional financial services offered by the regulated lender or a particular service provider designated by the regulated lender.

(2) This section does not preclude a regulated lender from offering a combination of 2 or more services under prices or terms that are more favorable to the borrower than the prices or terms the services would be offered separately.

(3) This section does not prohibit a transaction or requirement that is not prohibited by federal law.

(4) This section does not apply to a requirement by a depository institution subject to 12 U.S.C. 1972 or by an affiliate of 1 or more of such depository institutions.

(5) As used in this section:

(a) "Affiliate" means a person that controls, is controlled by, or is under common control with 1 or more depository institutions.

(b) "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person.

**History:** 1995, Act 162, Eff. Mar. 28, 1996

**Compiler's Notes:** For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.