

**SAVINGS AND LOAN ACT OF 1980 (EXCERPT)**  
**Act 307 of 1980**

**491.716 Limitations on loans to one borrower.**

Sec. 716. Excluding the guaranteed portion of loans made pursuant to sections 702 and 704 and lease transactions made pursuant to section 711(1), an association shall not make a loan or commit to make a loan to any 1 borrower, if at the time the loan or commitment is made the sum of the amount of the loan or commitment and the total balance of all outstanding loans owed to the association and its affiliated service corporations by the borrower exceeds 50% of the net worth of the association, 1% of the total assets of the association, or \$250,000.00, whichever is greater. As used in this section, "borrower" means any of the following:

- (a) Any person or business entity that is, or upon the making of a loan will become, the obligor on a loan.
- (b) Any nominee of the obligor on a loan.
- (c) All persons, trusts, partnerships, syndicates, corporations, and other organizations of which the obligor on a loan is a nominee, beneficiary, general partner, member, or beneficial owner of 10% or more of the capital stock.
- (d) If the obligor is a business entity, all trusts, partnerships, syndicates, corporations, and other organizations of which any beneficiary, general partner, member, or beneficial owner of 10% or more of the capital stock of the obligor is also a beneficiary, general partner, member, or beneficial owner of 10% or more of the capital stock.

**History:** 1980, Act 307, Eff. Jan. 1, 1981;—Am. 1987, Act 106, Imd. Eff. July 7, 1987.