

Act No. 198  
Public Acts of 1995  
Approved by the Governor  
November 29, 1995  
Filed with the Secretary of State  
November 29, 1995

**STATE OF MICHIGAN  
88TH LEGISLATURE  
REGULAR SESSION OF 1995**

Introduced by Senator Bouchard

# **ENROLLED SENATE BILL No. 535**

AN ACT to amend Act No. 319 of the Public Acts of 1969, entitled as amended "An act to revise and codify the laws relating to banks, industrial banks, foreign banks, trust companies, and safe and collateral deposit companies; to provide for their incorporation, regulation, and supervision; to authorize the granting of trust powers to banks and to regulate the exercise of those powers; to create, within the department of commerce, a financial institutions bureau and to prescribe its powers and duties; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts," as amended, being sections 487.301 to 487.598 of the Michigan Compiled Laws, by adding section 151i.

*The People of the State of Michigan enact:*

Section 1. Act No. 319 of the Public Acts of 1969, as amended, being sections 487.301 to 487.598 of the Michigan Compiled Laws, is amended by adding section 151i to read as follows:

Sec. 151i. (1) Except as provided in subsection (2), a bank that requires a mortgagor to maintain property/casualty insurance as a condition to receiving a mortgage loan shall not require the amount of the property/casualty insurance to be greater than the replacement cost of the mortgaged building or buildings.

(2) A bank may require an amount of property/casualty insurance that is required of the bank as a condition of a sale, transfer, or assignment of all or part of the mortgage to a third party. This subsection does not require that the bank anticipate a sale, transfer, or assignment at the time the mortgage loan is made.

This act is ordered to take immediate effect.

-----  
Secretary of the Senate.

-----  
Clerk of the House of Representatives.

Approved -----

-----  
Governor.