



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## JUDGMENTS OF INTEREST ON “WRITTEN INSTRUMENTS”

House Bill 4448

Sponsor: Rep. Andrew Richner

Committee: Civil Law and the Judiciary

Complete to 3-12-01

### A SUMMARY OF HOUSE BILL 4448 AS INTRODUCED 3-8-01

The Revised Judicature Act (RJA) provides for the calculation and payment of interest on money judgments in civil cases. With regard specifically to complaints filed on or after January 1, 1987, if a judgment is rendered on a “written instrument,” interest is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate of 12 percent per year, compounded annually, unless the instrument has a higher rate of interest. The law does not define “written instrument,” but a 1998 state supreme court decision ruled that the lower courts properly found that an insurance contract was a “written instrument” and, therefore, subject to the law’s 12 percent interest rate. (See *Yaldo v North Pointe Insurance Company*, 457 Mich 341.)

The bill would amend this section of the act to specify that these provisions (regarding interest rates with regard to complaints filed on or after January 1, 1987) would apply to a judgment rendered on a written instrument “evidencing indebtedness with a specified interest rate.”

MCL 600.6013

House Bill 4448 (3-12-01)

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.