

# HOUSE BILL NO. 5362

November 14, 2023, Introduced by Reps. MacDonell and Skaggs and referred to the Committee on Judiciary.

A bill to amend 1995 PA 162, entitled "Credit reform act," by amending sections 2 and 5 (MCL 445.1852 and 445.1855), section 2 as amended by 1996 PA 419.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2. As used in this act:

2           (a) "Borrower" means a person who obtains an extension of  
3 credit from a regulated lender.

4           (b) "Commissioner" means the ~~commissioner of the financial~~  
5 ~~institutions bureau of the department of consumer and industry~~

1 ~~services.~~**director of the department of insurance and financial**  
2 **services.**

3 (c) "Credit card arrangement" means an extension of credit  
4 that is not secured by real property made to a cardholder of a  
5 credit card or charge card issued by a regulated lender under an  
6 arrangement that gives to a cardholder the privilege of obtaining  
7 credit from the regulated lender or any other person in purchasing  
8 or leasing property or services, obtaining credit or loans, or  
9 otherwise.

10 (d) "Credit sale" means an extension of credit for the sale of  
11 goods or services by a seller that is subject to **either of** the  
12 **following:**

13 (i) **The** home improvement finance act, ~~Act No. 332 of the Public~~  
14 ~~Acts of 1965, being sections 445.1101 to 445.1431 of the Michigan~~  
15 ~~Compiled Laws, or the 1965 PA 332, MCL 445.1101 to 445.1431.~~

16 (ii) **The** motor vehicle sales finance act, ~~Act No. 27 of the~~  
17 ~~Public Acts of the Extra Session of 1950, being sections 492.101 to~~  
18 ~~492.141 of the Michigan Compiled Laws.~~**1950 (Ex Sess) PA 27, MCL**  
19 **492.101 to 492.137a.**

20 (e) "Depository institution" means a bank, savings and loan  
21 association, savings bank, or a credit union chartered under state  
22 or federal law ~~which~~**that** maintains a principal office or branch in  
23 this state.

24 (f) "Excessive fee or charge" means a fee or charge that  
25 exceeds the amount allowed in section 6(1), (2), or (3), section 7,  
26 or any other applicable law or statute of this state.

27 (g) "Extension of credit" means a loan or credit sale made by  
28 a regulated lender. An extension of credit does not include an  
29 extension of credit described in section 501(a)(1) of title V of

1 the depository institutions deregulation and monetary control act  
2 of 1980, ~~Public Law 96-221, 12 U.S.C. 1735f-7 nt.~~ **12 USC 1735f-7a.**

3 (h) "Person" means an individual, corporation, partnership,  
4 association, governmental entity, or any other legal entity.

5 (i) "Regulated lender" means ~~a~~ **any of the following:**

6 **(i) A** depository institution. ~~ra~~

7 **(ii) A** licensee under **any of the following:**

8 **(A) The** consumer financial services act, ~~Act No. 161 of the~~  
9 ~~Public Acts of 1988, being sections 487.2051 to 487.2072 of the~~  
10 ~~Michigan Compiled Laws, Act No. 379 of the Public Acts of 1984,~~  
11 ~~being sections 493.101 to 493.114 of the Michigan Compiled Laws,~~  
12 ~~the 1988 PA 161, MCL 487.2051 to 487.2072.~~

13 **(B) 1984 PA 379, MCL 493.101 to 493.114.**

14 **(C) The** motor vehicle sales finance act, ~~Act No. 27 of the~~  
15 ~~Public Acts of the Extra Session of 1950, Act No. 125 of the Public~~  
16 ~~Acts of 1981, being sections 493.51 to 493.81 of the Michigan~~  
17 ~~Compiled Laws, or the 1950 (Ex Sess) PA 27, MCL 492.101 to~~  
18 **492.137a.**

19 **(D) The secondary mortgage loan act, 1981 PA 125, MCL 493.51**  
20 **to 493.81.**

21 **(E) The** regulatory loan act, ~~of 1963, Act No. 21 of the Public~~  
22 ~~Acts of 1939, being sections 493.1 to 493.26 of the Michigan~~  
23 ~~Compiled Laws, or a 1939 PA 21, MCL 493.1 to 493.24.~~

24 **(iii) A** seller under the home improvement finance act, ~~Act No.~~  
25 ~~332 of the Public Acts of 1965.~~ **1965 PA 332, MCL 445.1101 to**  
26 **445.1431.**

27 Sec. 5. The written agreement made in connection with a credit  
28 sale under the home improvement finance act, ~~Act No. 332 of the~~  
29 ~~Public Acts of 1965, being sections 445.1101 to 445.1431 of the~~

1 ~~Michigan Compiled Laws, 1965 PA 332, MCL 445.1101 to 445.1431,~~ or  
2 the motor vehicle sales finance act, ~~Act No. 27 of the Public Acts~~  
3 ~~of the Extra Session of 1950, being sections 492.101 to 492.141 of~~  
4 ~~the Michigan Compiled Laws, 1950 (Ex Sess) PA 27, MCL 492.101 to~~  
5 **492.137a**, may provide for precomputed interest or its equivalent if  
6 any rebate due at prepayment in full is computed according to the  
7 actuarial method.

8       Enacting section 1. This amendatory act does not take effect  
9 unless Senate Bill No. \_\_\_\_ or House Bill No. 5354 (request no.  
10 03158'23) of the 102nd Legislature is enacted into law.