

REPORTING ADVERSE INFORMATION ABOUT COSIGNER (EXCERPT)
Act 211 of 1989

445.271 Definitions.

Sec. 1.

As used in this act:

(a) "Adverse information" means information indicating that the cosigner has not complied with the contractual provisions of an obligation.

(b) "Collection action" means requesting a cosigner to pay all or part of the obligation.

(c) "Cosigner" means a natural person who renders himself or herself liable for the obligation of another person without compensation. The term includes a person whose signature is requested as a condition to granting credit to another person, or as a condition for forbearance on collection of another person's obligation that is in default. The term does not include a spouse whose signature is required on a credit obligation to perfect a security interest under state law, or a person who has executed a guarantee. A person who does not receive goods, services, or money in return for a credit obligation does not receive compensation within the meaning of this definition. A person is a cosigner within the meaning of this act whether or not he or she is designated as a cosigner on a credit obligation.

(d) "Obligation" means an indebtedness incurred by an individual for personal, family, or household purposes.

(e) "Person" means an individual, firm, partnership, association, or corporation.

(f) "Primary obligor" means a person, other than a cosigner, who signs an obligation as a debtor.

History: 1989, Act 211, Eff. Mar. 29, 1990