

SENATE BILL No. 545

October 10, 1991, Introduced by Senators WARTNER, KOIVISTO, FAUST and DE GROW and referred to the Committee on Corporations and Economic Development.

A bill to amend section 10 of Act No. 379 of the Public Acts of 1984, entitled

"An act to define and regulate certain credit card transactions, agreements, charges, and disclosures; to prescribe the powers and duties of the financial institutions bureau and certain state agencies; to provide for the promulgation of rules; and to provide for fines and penalties,"

as amended by Act No. 171 of the Public Acts of 1987, being section 493.110 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 10 of Act No. 379 of the Public Acts of
2 1984, as amended by Act No. 171 of the Public Acts of 1987, being
3 section 493.110 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 10. (1) On ~~any~~ A loan made or credit extended
6 pursuant to a credit card arrangement, a licensee may collect
7 interest not to exceed ~~1.5%~~ 1.7% of the unpaid balance per

1 month. ~~Such~~ THE interest shall not be precomputed but ~~shall~~
2 ~~be~~ computed from time to time on the basis of the unpaid
3 balances. In addition to collecting the interest permitted in
4 this subsection, a licensee may assess a fee for the privilege of
5 having a credit card or charge card if the fee is not computed as
6 a percentage of the unpaid balance.

7 (2) A loan made or credit extended pursuant to a credit card
8 arrangement authorized by this act may be offered in connection
9 with other accounts, services, or other similar agreements not
10 regulated by this act or any other applicable statute. ~~However,~~
11 ~~the making of a~~

12 (3) A loan or THE extension of credit pursuant to a credit
13 card arrangement shall not be conditioned on the requirement that
14 insurance be obtained on the life of the holder of the credit
15 card or charge card or that any other goods or services be pur-
16 chased as a condition of the privilege of obtaining a credit card
17 or charge card. If the licensee is the beneficiary of a credit
18 life insurance or credit accident and health insurance policy as
19 defined in the credit insurance act, Act No. 173 of the Public
20 Acts of 1958, being sections 550.601 to 550.624 of the Michigan
21 Compiled Laws, the licensee shall not use the same application
22 form ~~which~~ THAT is used to elicit applications for an extension
23 of credit or an increase in predetermined credit limits for the
24 purpose of eliciting offers to purchase the credit life or credit
25 accident and health insurance. ~~, nor shall the~~ THE licensee
26 SHALL NOT solicit offers to purchase the credit life or credit
27 accident and health insurance as part of the same transaction in

1 which a person applies for credit or an increase in predetermined
2 credit limits.