



SENATE BILL No. 852

September 23, 1993, Introduced by Senator DILLINGHAM
and referred to the Committee on Corporations and
Economic Development.

A bill to amend section 14 of Act No. 285 of the Public Acts
of 1925, entitled as amended

"An act to provide for the organization, operation, and supervi-
sion of credit unions; to provide for the conversion of a state
credit union into a federal credit union or a credit union orga-
nized and supervised under the laws of any other state or terri-
tory of the United States and for the conversion of a federal
credit union or a credit union organized and supervised under the
laws of any other state or territory of the United States into a
state credit union; and to provide for the merger of credit
unions organized and supervised under the laws of this state,
credit unions organized and supervised under the laws of any
other state or territory of the United States, and federal credit
unions,"

as amended by Act No. 246 of the Public Acts of 1992, being sec-
tion 490.14 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 14 of Act No. 285 of the Public Acts of
2 1925, as amended by Act No. 246 of the Public Acts of 1992, being

1 section 490.14 of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 14. Interest rates on loans made by a credit union
4 shall not exceed 15% per annum on unpaid balances, except that a
5 rate of 16.5% or less per annum on unpaid balances may be charged
6 on a loan ~~which~~ FOR THE PURCHASE OF A MOTOR VEHICLE THAT is
7 made on or before December 31, ~~1993, for the purchase of a motor~~
8 ~~vehicle~~ 1997. Loans made for the purchase of a motor vehicle,
9 regardless of whether the loan specifies a term to maturity or is
10 made pursuant to a line of credit, credit card, or other similar
11 agreements, are subject to the applicable interest rate ceiling
12 of this section. Loans made by a credit union to another credit
13 union as permitted under this act are not subject to the interest
14 rate limitations of this section or any other provisions of the
15 laws of this state.