

BANKING CODE OF 1999 (EXCERPT)
Act 276 of 1999

487.14204 Insurance; hazard; property and casualty.

Sec. 4204.

(1) A bank that requires a mortgagor to maintain hazard insurance as a condition of receiving a mortgage loan shall not require the amount of the hazard insurance to be greater than the replacement cost of the mortgaged building or buildings.

(2) A bank may require an amount of property and casualty insurance that is required of the bank as a condition of sale, transfer, or assignment of all or part of the mortgage to a third party. This subsection does not require that the bank anticipate a sale, transfer, or assignment at the time the mortgage is made.

History: 1999, Act 276, Eff. Mar. 1, 2000