

SAVINGS AND LOAN ACT OF 1980 (EXCERPT)
Act 307 of 1980

491.726 Real estate loans; taxes, assessments, insurance premiums, and other charges; monthly payment in advance or in arrears; disposition of funds; record.

Sec. 726. In addition to interest or interest and principal payments, an association or federal association may require the borrower to pay monthly in advance or in arrears, the equivalent of 1/12 of the estimated annual taxes, assessments, insurance premiums, and other charges upon the real estate securing a loan, or another amount permitted under the real estate settlement procedures act of 1974, Public Law 93-533, 88 Stat. 1724, so as to enable the association to pay the charges as they become due from the funds received. The association may hold the funds for future payment or may credit the funds to the indebtedness and pay the taxes, insurance, or other charges. Each association shall keep a record of the status of taxes, assessments, insurance, and other charges on all real estate securing the association's loans and on all real and other property owned by the association.

History: 1980, Act 307, Eff. Jan. 1, 1981.