

# SENATE BILL No. 894

April 29, 1992, Introduced by Senator EMMONS and referred to the Committee on Technology and Energy.

A bill to amend section 21 of Act No. 173 of the Public Acts of 1987, entitled "Mortgage brokers, lenders, and servicers licensing act," being section 445.1671 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 21 of Act No. 173 of the Public Acts of  
2 1987, being section 445.1671 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4 Sec. 21. (1) ~~Every~~ A licensee and registrant shall main-  
5 tain books, accounts, records, and documents of the business, as  
6 ~~may be~~ prescribed by the commissioner, conducted under the  
7 license or registration to enable the commissioner to determine  
8 whether the business of the licensee or registrant is conducted  
9 ~~in accordance with~~ PURSUANT TO this act and the rules  
10 promulgated under this act. The preservation of records by

1 ~~photographic reproduction or electronically shall constitute~~  
2 PURSUANT TO THE RECORDS MEDIA ACT CONSTITUTES compliance with  
3 this section. If the books, accounts, records, and documents are  
4 not made available in this state, the licensee or registrant  
5 shall pay the reasonable travel, lodging, and meal expenses of  
6 the examiner as provided in section 20.

7 (2) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A  
8 licensee or registrant shall preserve and keep available for  
9 examination by the commissioner each mortgage loan document in  
10 its possession or control, including by way of example and not  
11 limitation, the application, credit report, employment verifica-  
12 tion, loan disclosure statement, and settlement statement, until  
13 the mortgage loan is transferred or assigned, or the expiration  
14 of 3 years after the date the mortgage loan is closed, whichever  
15 occurs first. If the mortgage loan is transferred or assigned,  
16 the licensee or registrant shall preserve and keep available for  
17 examination by the commissioner copies of the promissory note,  
18 mortgage, land contract, truth-in-lending disclosure statements,  
19 and settlement statements in its possession or control for 3  
20 years after the date the mortgage loan is transferred or  
21 assigned. Notwithstanding any provision to the contrary, ~~each~~  
22 A licensee or registrant shall preserve and keep available for  
23 examination by the commissioner all documents pertaining to a  
24 rejected application for a mortgage loan for the period of time  
25 required by state or federal law. A licensee or registrant shall  
26 preserve all other books, accounts, records, and documents  
27 pertaining to the licensee's or registrant's business, and keep

1 them available for examination by the commissioner for not less  
2 than 3 years after the conclusion of the fiscal year of the  
3 licensee or registrant in which the book, account, record, or  
4 document was created.

5       (3) On or before a date to be determined by the commission-  
6 er, a licensee shall file annually with the commissioner a report  
7 giving information, as required by the commissioner, concerning  
8 the business and operations of the licensee under ~~authority of~~  
9 this act during the preceding calendar year. In addition, the  
10 commissioner may require a licensee or registrant to file special  
11 reports as the commissioner considers reasonably necessary for  
12 the proper supervision of licensees or registrants under this  
13 act. Reports required pursuant to this section shall be in the  
14 form prescribed by the commissioner and shall be signed and  
15 affirmed. A person who willfully and knowingly subscribes and  
16 affirms a false statement in a report required pursuant to this  
17 subsection is guilty of a felony, punishable by imprisonment for  
18 not more than 15 years.

19       Section 2. This amendatory act shall not take effect unless  
20 House Bill No. 4438  
21                               of the 86th Legislature is enacted into law.