



SENATE BILL No. 1038

March 2, 1994, Introduced by Senators SCHWARZ, CISKY, VAUGHN, WARTNER, DUNASKISS, O'BRIEN, CHERRY and KELLY and referred to the Committee on Corporations and Economic Development

A bill to amend section 25 of Act No 173 of the Public Acts of 1987, entitled

"Mortgage brokers, lenders, and servicers licensing act,"

as amended by Act No 451 of the Public Acts of 1988 being section 445 1675 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 25 of Act No 173 of the Public Acts of
2 1987, as amended by Act No 451 of the Public Acts of 1988, being
3 section 445 1675 of the Michigan Compiled Laws, is amended to
4 read as follows

5 Sec 25 This act does not apply to THE FOLLOWING

6 (a) ~~Any~~ A depository financial institution whether or not
7 the depository financial institution is acting in a capacity of a
8 trustee or fiduciary

1 (b) A salesperson acting as an agent for a residential
2 builder or residential maintenance and alteration contractor or
3 a residential builder or residential maintenance and alteration
4 contractor licensed under article 24 of the occupational code,
5 Act No 299 of the Public Acts of 1980, being sections 339 2401
6 to 339 2412 of the Michigan Compiled Laws, when a mortgage is
7 made or negotiated in connection with the sale or financing of a
8 residential structure or improvement constructed or improved by
9 that residential builder or residential maintenance and alter-
10 ation contractor

11 (c) A real estate broker or real estate salesperson licensed
12 under article 25 of Act No 299 of the Public Acts of 1980 being
13 sections 339 2501 to ~~339 2515~~ 339 2518 of the Michigan Compiled
14 Laws, and who is not a mortgage broker, mortgage lender, or mort-
15 gage servicer, or who only acts as a mortgage broker in connec-
16 tion with a real estate sale or lease and acts without additional
17 compensation beyond the customary commission on such sales or
18 leases

19 (d) A real estate salesperson who acts for a real estate
20 broker as a mortgage broker, mortgage lender, or mortgage serv-
21 icer and who receives for such services compensation only from
22 the real estate broker for which the salesperson is an agent or
23 employee

24 (e) A person licensed under Act No 125 of the Public Acts
25 of 1981, being sections 493 51 to 493 81 of the Michigan Compiled
26 Laws, not making, brokering, or servicing mortgage loans as

1 described in this act in a 12-month period from July 1 to June
2 30

3 (f) A home improvement installment contract entered into
4 pursuant to the home improvement finance act, Act No 332 of the
5 Public Acts of 1965, being sections 445 1101 to 445 1431 of the
6 Michigan Compiled Laws

7 (g) Agencies or corporate instrumentalities of the United
8 States and of this state and its political subdivisions includ-
9 ing the public employees' retirement system

10 (h) A mortgage lender which makes 10 or fewer mortgage loans
11 in a 12-month period from July 1 to June 30

12 (i) A mortgage servicer which services 10 or fewer mortgage
13 loans in a 12-month period from July 1 to June 30

14 (j) A mortgage servicer which services only 75 or fewer land
15 contracts, of which 10 or fewer require the collection of money
16 for the payment of taxes or insurance ~~Neither this~~ THIS sub-
17 division ~~nor~~ AND subdivision (i) ~~shall~~ DO NOT exempt a mort-
18 gage servicer who collects money for the payment of taxes or
19 insurance from the provisions of Act No 125 of the Public Acts
20 of 1966, being sections 565 161 to 565 163 of the Michigan
21 Compiled Laws All fees shall be returned to any mortgage serv-
22 icer described in this subdivision who applied for a license and
23 paid the fees required by this act and who on the effective date
24 of this subdivision is exempted from licensing

25 (k) An individual licensed to practice law in this state and
26 not engaged in the business of negotiating loans secured by real

1 property, when the individual renders services in the course of
2 his or her practice as an attorney-at-law

3 (l) A person who makes mortgage loans exclusively for the
4 benefit of employees of that person if the proceeds of the loan
5 are used to assist the employee in meeting his or her housing
6 needs

7 (m) A person acting as a fiduciary with respect to any
8 employee pension benefit plan qualified under the internal reve-
9 nue code who makes mortgage loans solely to plan participants
10 from plan assets

11 (n) A mortgage broker, mortgage lender, or a mortgage serv-
12 icer which is a subsidiary or affiliate of a depository financial
13 institution or a subsidiary or affiliate of a holding company of
14 a depository financial institution

15 (o) A NONPROFIT CORPORATION ESTABLISHED PURSUANT TO THE
16 NEIGHBORHOOD REINVESTMENT CORPORATION ACT TITLE VI OF PUBLIC LAW
17 95-557, 42 U S C 8101 TO 8107