



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

PENALTIES FOR FRAUDULENT CREDIT APPLICATION

House Bills 5256 and 5257
Sponsor: Bob Brown
Committee: Judiciary

Complete to 6-1-98

A SUMMARY OF HOUSE BILLS 5256 AND 5257 AS INTRODUCED 10-8-97

The bills would increase the penalties for fraudulent credit application, making such application a felony rather than a misdemeanor and allowing for forfeiture of property involved in the crime.

More specifically, House Bill 5257 would amend the Michigan Penal Code (MCL 750.219 et al.) to change the current misdemeanor crime, punishable by jail for up to one year or a fine of up to \$500, for making written false statements about financial conditions in order to get a loan or other financial credit to, instead, a felony punishable by imprisonment for up to 4 years or a fine of up to \$2,500. In addition, the bill would add two new fraudulent credit application felonies to the penal code: (1) preparing or submitting an application for a loan or other financial credit in another person's name without that person's authorization; and (2) forwarding an application for a loan or other financial credit on behalf of someone knowing (or having reason to know) that the application had been prepared or was submitted in violation of the penal code. The former crime would be punishable by imprisonment for up to 4 years, a fine of up to \$2,500, or both; the latter crime would be punishable by imprisonment for up to 4 years, a fine of up to \$100,000, or both. Finally, the bill would subject to seizure and forfeiture under the Revised Judicature Act property either used to violate or obtained from violating these provisions of the penal code. House Bill 5256 would amend the Revised Judicature Act (MCL 600.4701) to add the three felonies proposed in House Bill 5257 to the act's list of offenses included under "crimes" for which forfeiture of property could be sought.

The bills are tie-barred to each other; that is, neither could take effect if enacted unless the other were enacted into law.

Analyst: S. Ekstrom

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