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**SFA****BILL ANALYSIS**

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House Bill 5784 (Substitute H-1 as reported without amendment)  
Sponsor: Representative William Byl  
House Committee: Urban Policy and Economic Development  
Senate Committee: Financial Services

### **CONTENT**

The bill would amend the Secondary Mortgage Loan Act to provide exemptions from requirements for certain nonprofit mortgage lenders. The bill is tie-barred to House Bill 5783.

The bill specifies that the Act would not apply to a nonprofit corporation that made or serviced secondary mortgage loans only in connection with mortgages made under a program described in House Bill 5783, if the FIB Commissioner had determined that the nonprofit corporation was exempt from the Mortgage Brokers, Lenders, and Servicers Licensing Act that bill. (The program would have to administer a mortgage loan program funded or sponsored by one or more depository financial institutions, State or Federal governmental entities, or charitable, religious, or other nonprofit organization, and its mortgage loan program would have to be targeted exclusively to persons who would not otherwise have access to affordable mortgage loans from traditional mortgage lending sources.)

House Bill 5784 (H-1) also would revise an existing exemption from the Act for a nonprofit corporation established pursuant to the Federal Neighborhood Reinvestment Corporation Act. Under the bill, that exemption would apply to a nonprofit corporation that made, brokered, or serviced mortgage loans in connection with a neighborhood housing program assisted under that Federal Act

MCL 493.79a

Legislative Analyst: P. Affholter

### **FISCAL IMPACT**

The bill would exempt nonprofit organizations that serve as a neighborhood housing service organization from the licensing and registration requirements for providing first and secondary mortgage services. These organizations, due to the volume restrictions, have not been required to pay these licensing and registration fees. Therefore, this exemption would allow these institutions to increase the number of mortgages offered, but would have no fiscal impact on State government.

Date Completed: 9-21-98

Fiscal Analyst: M. Tyszkiewicz