

# HOUSE BILL No. 5783

April 28, 1998, Introduced by Rep. Byl and referred to the Committee on Commerce.

A bill to amend 1987 PA 173, entitled  
"Mortgage brokers, lenders, and servicers licensing act,"  
by amending section 25 (MCL 445.1675), as amended by 1996 PA  
210.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 25. This act does not apply to ANY OF the following:  
2       (a) A depository financial institution whether or not the  
3 depository financial institution is acting in a capacity of a  
4 trustee or fiduciary.  
5       (b) A salesperson acting as an agent for a residential  
6 builder or residential maintenance and alteration contractor, or  
7 a residential builder or residential maintenance and alteration  
8 contractor licensed under article 24 of the occupational code,  
9 ~~Act No. 299 of the Public Acts of 1980, being sections 339.2401~~  
10 ~~to 339.2412 of the Michigan Compiled Laws~~ 1980 PA 299, MCL

1 339.2401 TO 339.2412, when a mortgage is made or negotiated in  
2 connection with the sale or financing of a residential structure  
3 or improvement constructed or improved by that residential  
4 builder or residential maintenance and alteration contractor.

5 (c) A real estate broker or real estate salesperson who is  
6 not a mortgage broker, mortgage lender, or mortgage servicer, or  
7 who only acts as a mortgage broker in connection with a real  
8 estate sale or lease and acts without additional compensation  
9 beyond the customary commission on ~~such~~ THE sales or leases.

10 (d) A real estate salesperson who acts for a real estate  
11 broker as a mortgage broker, mortgage lender, or mortgage serv-  
12 icer and who receives for ~~such~~ THE services compensation only  
13 from the real estate broker for which the salesperson is an agent  
14 or employee.

15 (e) A person licensed under ~~Act No. 125 of the Public Acts~~  
16 ~~of 1981, being sections 493.51 to 493.81 of the Michigan Compiled~~  
17 ~~Laws~~ THE SECONDARY MORTGAGE LOAN ACT, 1981 PA 125, MCL 493.51 TO  
18 493.81, not making, brokering, or servicing mortgage loans as  
19 described in this act in a 12-month period from July 1 to June  
20 30.

21 (f) Agencies or corporate instrumentalities of the United  
22 States and of this state and its political subdivisions, includ-  
23 ing the public employees' retirement system.

24 (g) A mortgage lender that in the aggregate with any affili-  
25 ates makes 10 or fewer mortgage loans in a 12-month period from  
26 July 1 to June 30.

1 (h) A mortgage servicer that in the aggregate with any  
2 affiliates services 10 or fewer mortgage loans in a 12-month  
3 period from July 1 to June 30.

4 (i) A mortgage servicer that in the aggregate with any  
5 affiliates services only 75 or fewer land contracts, of which 10  
6 or fewer require the collection of money for the payment of taxes  
7 or insurance. This subdivision and subdivision (h) do not exempt  
8 a mortgage servicer who collects money for the payment of taxes  
9 or insurance from the provisions of ~~Act No. 125 of the Public~~  
10 ~~Acts of 1966, being sections 565.161 to 565.164 of the Michigan~~  
11 ~~Compiled Laws~~ 1966 PA 125, MCL 565.161 TO 565.164. All fees  
12 shall be returned to any mortgage servicer described in this sub-  
13 division who applied for a license and paid the fees required by  
14 this act and who on December 27, 1988 is exempted from  
15 licensing.

16 (j) An individual licensed to practice law in this state and  
17 not engaged in the business of negotiating loans secured by real  
18 property, when the individual renders services in the course of  
19 his or her practice as an attorney-at-law.

20 (k) A person who makes mortgage loans exclusively for the  
21 benefit of employees of that person if the proceeds of the loan  
22 are used to assist the employee in meeting his or her housing  
23 needs.

24 (l) A person acting as a fiduciary with respect to any  
25 employee pension benefit plan qualified under the internal reve-  
26 nue code who makes mortgage loans solely to plan participants  
27 from plan assets.

1 (m) A mortgage broker, mortgage lender, or a mortgage  
2 servicer which is a subsidiary or affiliate of a depository  
3 financial institution or a subsidiary or affiliate of a holding  
4 company of a depository financial institution which depository  
5 financial institution maintains its main office or a branch  
6 office in this state.

7 (n) A nonprofit corporation established ~~pursuant to~~ UNDER  
8 the neighborhood reinvestment corporation act, title VI of Public  
9 Law 95-557, 42 U.S.C. 8101 to 8107.

10 (O) A NONPROFIT CORPORATION CERTIFIED TO MAKE MORTGAGE LOANS  
11 BY THE STATE HOUSING DEVELOPMENT AUTHORITY CREATED BY THE STATE  
12 HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL  
13 125.1401 TO 125.1499C. THE AUTHORITY SHALL ESTABLISH THE TERMS  
14 AND CONDITIONS UNDER WHICH THE NONPROFIT CORPORATION SHALL CON-  
15 DUCT ITS MORTGAGE BUSINESS.