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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4413 (Substitute S-1 as reported)  
Sponsor: Representative Bob Brown  
House Committee: Criminal Law and Corrections  
Senate Committee: Banking and Financial Institutions

### **CONTENT**

The bill would amend the Michigan Penal Code to prohibit a person from preparing or submitting an application for a loan or other extension of credit in another person's name without authorization from that person; receiving or possessing an application for a loan or other extension of credit knowing or having reason to know the application was made in another's name without authorization; and receiving or possessing any instrument or device for gaining access to the proceeds of a loan or other extension of credit knowing or having reason to know that the instrument or device was obtained in another's name without authorization. A violation would be a felony punishable by imprisonment for up to four years, a fine of up to \$2,500, or both.

The bill would not apply to a financial institution or an affiliate, licensee, or franchisee of a financial institution, or to a director, officer, or employee of a financial institution or an affiliate, under circumstances specified in the bill.

The bill would take effect 90 days after it was enacted. The bill is tie-barred to House Bill 4598.

Proposed MCL 750.219e

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

House Bills 4413 (S-1), 4598 (S-1), and 4670 (S-1) would have an indeterminate fiscal impact on State and local government.

There are no data available to indicate how many people could be convicted of preparing or submitting a loan application for another individual without authorization from that individual, or submitting such an application to a financial institution. These property crimes would be a Class F felonies, which have a minimum sentence range from 0-3 months to 17-30 months.

Assuming that 10 people a year would be found guilty of this offense and would be sentenced to prison for a minimum of 30 months, given that the average cost of incarceration is \$22,000 annually, the cost of incarcerating these offenders would be \$550,000 per year. Assuming that 10 people a year were convicted of this offense and that they each received a sentence within the lower minimum range, costs for incarceration would be incurred by local units of government.

Date Completed: 10-11-99

Fiscal Analyst: K. Firestone