
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4598 (Substitute S-1 as reported)
Sponsor: Representative Stephen Ehardt
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 receiving with the intent to forward, possessing with the intent to forward, or forwarding an application for a loan or other extension of credit on behalf of a person to another person knowing or having reason to know the application had been prepared or was submitted in violation of the provisions of House Bill 4413; and receiving with the intent to forward, possessing with the intent to forward, or forwarding any instrument or device for gaining access to the proceeds of a loan or other extension of credit knowing or having reason to know the instrument or device was obtained in violation of House Bill 4413. A violation would be a felony punishable by imprisonment for up to four years, a fine of up to \$100,000, 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 4413.

Proposed MCL 750.219f

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: 10-12-99

Fiscal Analyst: K. Firestone