

Senate Fiscal Agency
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Senate Bill 776 (as reported without amendment)
Senate Bill 777 (Substitute S-1 as reported)
Senate Bill 778 (Substitute S-1 as reported)
Senate Bill 779 (Substitute S-1 as reported)
Senate Bill 780 (Substitute S-1 as reported)
Sponsor: Senator Glenn D. Steil
Committee: Banking and Financial Institutions

CONTENT

The bills would amend various statutes to allow the Commissioner of the Office of Financial and Insurance Services to prohibit a person who had engaged in fraud from being an employee, agent, or control person of a licensee or registrant under any of the acts. Several of the bills also would authorize the Commission to suspend a license or issue a cease and desist order upon a licensee. An executive officer, director, agent, or control person who violated a final order issued under the bills for suspension or prohibition would be guilty of a misdemeanor punishable by a fine of up to \$5,000 and/or imprisonment for up to a year.

Senate Bill 776 would amend the Consumer Financial Services Act; Senate Bill 777 (S-1) would amend the Mortgage Brokers, Lenders, and Servicers Licensing Act; Senate Bill 778 (S-1) would amend the Secondary Mortgage Loan Act; Senate Bill 779 (S-1) would amend the Regulatory Loan Act; and Senate Bill 780 (S-1) would amend the Sale of Checks Act.

MCL 487.2052 et al. (S.B. 776)
445.1651a et al. (S.B. 777)
493.51 et al. (S.B. 778)
493.1 et al. (S.B. 779)
487.902 et al. (S.B. 780)

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bills would allow the Office of Financial and Insurance Services to hold hearings for any of the institutions that were alleged to have violated these Acts. The cost of the additional responsibilities would be covered under the existing fee structures for these institutions as no additional revenue sources would be created. There is no information regarding the number of hearings that would be held as a result of these changes, so the exact costs are not known at this time. To the extent that these responsibilities could not be covered with existing staffing levels, new staff potentially would need to be hired to handle the caseloads.

The bills would have an indeterminate impact on local government. There are no data to indicate how many offenders would be convicted of violating a final order of the Commissioner. Offenders would receive a misdemeanor fine or sentence of 0-12 months of probation or incarceration in a local facility. Local units would incur the cost of probation as well as the cost of incarceration, which may vary between \$27 and \$62 per day.

Date Completed: 10-30-01

Fiscal Analyst: M. Tyszkiewicz
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[floor\sb776-780](#)

[Analysis available @ http://www.michiganlegislature.org](http://www.michiganlegislature.org)

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