

# HOUSE BILL No. 5076

September 20, 2001, Introduced by Rep. Bishop 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 2 (MCL 445.1652), as amended by 1996 PA 210.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. (1) A person shall not act as a mortgage broker,  
2 mortgage lender, MORTGAGE LOAN OFFICER, or mortgage servicer  
3 without first obtaining a license or registering under this act,  
4 unless 1 or more of the following apply:

5       (a) The person is solely performing services as an employee  
6 of only 1 mortgage broker, mortgage lender, MORTGAGE LOAN  
7 OFFICER, or mortgage servicer.

8       (b) The person is exempted from the act under section 25.

9       (c) The person is licensed as a class I licensee under the  
10 consumer financial services act, ~~Act No. 161 of the Public Acts~~

1 of 1988, being sections 487.2051 to 487.2072 of the Michigan  
2 Compiled Laws 1988 PA 161, MCL 487.2051 TO 487.2072.

3 (2) ~~No later than 90 days after the effective date of the~~  
4 ~~amendatory act that added this subsection, a~~ A person that is  
5 licensed to make regulatory loans under the regulatory loan act  
6 of 1963, ~~Act No. 21 of the Public Acts of 1939, being sections~~  
7 ~~493.1 to 493.26 of the Michigan Compiled Laws 1939 PA 21, MCL~~  
8 ~~493.1 TO 493.26, or is licensed to make secondary mortgage loans~~  
9 ~~under Act No. 125 of the Public Acts of 1981, being sections~~  
10 ~~493.51 to 493.81 of the Michigan Compiled Laws 1981 PA 125, MCL~~  
11 ~~493.51 TO 493.81, and is registered with the commissioner shall~~  
12 ~~file with the commissioner an application for a license under~~  
13 ~~section 3(1) or shall discontinue all activities which are~~  
14 ~~subject to this act.~~

15 (3) ~~No later than 90 days after the effective date of the~~  
16 ~~amendatory act that added this subsection, a~~ A mortgage broker,  
17 mortgage lender, MORTGAGE LOAN OFFICER, or mortgage servicer that  
18 was exempt from regulation under this act and is a subsidiary or  
19 affiliate of a depository financial institution or ~~a subsidiary~~  
20 ~~or affiliate of~~ a depository financial institution holding com-  
21 pany, ~~which depository financial institution~~ THAT does not  
22 maintain a main office or branch office in this state, shall reg-  
23 ister under section 6 or shall discontinue all activities ~~which~~  
24 ~~are~~ subject to this act.

25 (4) Except for a state or nationally chartered bank, savings  
26 bank, or an affiliate of a bank or savings bank, the person  
27 subject to this act shall not include in its name or assumed

1 name, the words "bank", "banker", "banking", "banc", "bankcorp",  
2 "bancorp", or any other words or phrases that would imply that  
3 the person is a bank, is engaged in the business of banking, or  
4 is affiliated with a bank or savings bank. It is not a violation  
5 of this subsection for a licensee or registrant to use the term  
6 "mortgage banker" or "mortgage banking" in its name or assumed  
7 name. A person subject to this act whose name or assumed name on  
8 January 1, 1995 contained a word prohibited by this section may  
9 continue to use the name or assumed name.