

# SENATE BILL No. 779

October 23, 2001, Introduced by Senator STEIL and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1939 PA 21, entitled  
"Regulatory loan act of 1963,"  
by amending sections 1, 9, 12, and 18 (493.1, 493.9, 493.12, and  
493.18), section 1 as amended by 1996 PA 184, section 12 as  
amended by 1991 PA 14, and section 18 as amended by 1995 PA 165,  
and by adding sections 9a, 9b, 9c, 9d, 9e, 9f, and 9g.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. (1) Except as otherwise provided by this act, a  
2 person shall not engage in the business of making loans of money,  
3 credit, goods, or things in action and charge, contract for, or  
4 receive on the loan a greater rate of interest, discount, or con-  
5 sideration than the lender would be permitted by law to charge if  
6 the lender were not a licensee under this act and without first  
7 obtaining a license from the commissioner for each location at  
8 which the business is to be conducted under this act, or by

1 obtaining a license under the consumer financial services act,  
2 ~~Act No. 161 of the Public Acts of 1988, being sections 487.2051~~  
3 ~~to 487.2072 of the Michigan Compiled Laws 1988 PA 161, MCL~~  
4 ~~487.2051 TO 487.2072.~~

5 (2) As used in this act:

6 ~~(a) "Person" means an individual, partnership, association,~~  
7 ~~corporation, limited liability company, or other legal entity.~~

8 ~~(b) "Licensee" means a person licensed under this act.~~

9 ~~(c) "License" means a single license issued to a single~~  
10 ~~place of business.~~

11 ~~(d) "Liquid assets" means cash, unrestricted deposits in~~  
12 ~~banks, and readily marketable securities at their then market~~  
13 ~~value.~~

14 ~~(e) "Assets" means liquid assets, collectible loans made in~~  
15 ~~accordance with this act, and personal property acquired in the~~  
16 ~~general conduct of business transacted under this act.~~

17 ~~(f) "Commissioner" means the commissioner of the financial~~  
18 ~~institutions bureau in the department of commerce.~~

19 (A) ~~(g)~~ "Advertising" means publishing or broadcasting, or  
20 causing to be published or broadcast, material that has been pre-  
21 pared for public distribution by means of newspapers, magazines,  
22 or electronic media. Advertising does not include a stockholder  
23 communication, such as an annual report, interim financial  
24 report, registration statement, security, prospectus, application  
25 for listing a security on a stock exchange, or proxy materials.  
26 Advertising does not include a communication addressed to a

1 person who has previously executed a loan agreement relative to  
2 that person's account.

3 (B) "ASSETS" MEANS LIQUID ASSETS, COLLECTIBLE LOANS MADE IN  
4 ACCORDANCE WITH THIS ACT, AND PERSONAL PROPERTY ACQUIRED IN THE  
5 GENERAL CONDUCT OF BUSINESS TRANSACTED UNDER THIS ACT.

6 (C) "COMMISSIONER" MEANS THE COMMISSIONER OF THE OFFICE OF  
7 FINANCIAL AND INSURANCE SERVICES OR AN AUTHORIZED REPRESENTATIVE  
8 OF THE COMMISSIONER.

9 (D) "CONTROL PERSON" MEANS A DIRECTOR OR EXECUTIVE OFFICER  
10 OF A LICENSEE OR A PERSON WHO HAS THE AUTHORITY TO PARTICIPATE IN  
11 THE DIRECTION, DIRECTLY OR INDIRECTLY THROUGH 1 OR MORE OTHER  
12 PERSONS, OF THE MANAGEMENT OR POLICIES OF A LICENSEE.

13 (E) "EXECUTIVE OFFICER" MEANS AN OFFICER, MEMBER, OR PARTNER  
14 OF A LICENSEE, INCLUDING CHIEF EXECUTIVE OFFICER, PRESIDENT, VICE  
15 PRESIDENT, CHIEF FINANCIAL OFFICER, CONTROLLER, COMPLIANCE OFFI-  
16 CER, OR ANY OTHER SIMILAR POSITION.

17 (F) "FINANCIAL LICENSING ACT" MEANS ANY ACT LISTED IN SEC-  
18 TION 2 OF THE CONSUMER FINANCIAL SERVICES ACT, 1988 PA 161, MCL  
19 487.2052.

20 (G) "LICENSE" MEANS A SINGLE LICENSE ISSUED TO A SINGLE  
21 PLACE OF BUSINESS.

22 (H) "LICENSEE" MEANS A PERSON LICENSED UNDER THIS ACT.

23 (I) "LIQUID ASSETS" MEANS CASH, UNRESTRICTED DEPOSITS IN  
24 BANKS, AND READILY MARKETABLE SECURITIES AT THEIR THEN MARKET  
25 VALUE.

1 (J) "LOAN" OR "REGULATORY LOAN" MEANS A LOAN MADE BY A  
2 LICENSEE TO AN INDIVIDUAL FOR PERSONAL, FAMILY, OR HOUSEHOLD  
3 USE.

4 (K) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, ASSOCIATION,  
5 CORPORATION, LIMITED LIABILITY COMPANY, OR OTHER LEGAL ENTITY.

6 Sec. 9. (1) ~~The commissioner, upon 10 days' written notice~~  
7 ~~to the licensee stating the contemplated action and the grounds~~  
8 ~~therefor, and upon reasonable opportunity to be heard, shall~~  
9 ~~revoke any license if he shall find that~~ AFTER NOTICE AND HEAR-  
10 ING, THE COMMISSIONER MAY REVOKE A LICENSE IF HE OR SHE FINDS ANY  
11 OF THE FOLLOWING:

12 (a) The licensee ~~, with respect to such license,~~ has  
13 failed ~~, after 5 days' written notice of default,~~ to pay the  
14 annual license fee, ~~or~~ to maintain ~~in effect~~ the bond or  
15 bonds required under ~~the provisions of~~ this act, or to comply  
16 with any demand, ruling, or requirement of the commissioner  
17 ~~lawfully made pursuant to and within the authority of~~ UNDER  
18 this act.

19 (b) The licensee either knowingly or without the exercise of  
20 due care ~~to prevent the same, has~~ violated ~~any provision of~~  
21 this act or any rule ~~lawfully~~ made by the commissioner under  
22 ~~the authority of~~ this act.

23 (c) Any fact or condition exists ~~which~~ THAT, if it had  
24 existed at the time of the original application for the license,  
25 clearly would have warranted the commissioner in refusing origi-  
26 nally to issue the license.

1 (2) If the commissioner ~~shall find~~ FINDS that probable  
2 cause for revocation of ~~any~~ A license exists and that the  
3 enforcement of the act requires immediate suspension of the  
4 license pending investigation, he OR SHE may, ~~upon 3 days' writ-~~  
5 ~~ten notice and a~~ AFTER NOTICE AND hearing, suspend ~~any~~ A  
6 license for a period not exceeding 30 days.

7 (3) The commissioner may revoke or suspend only the particu-  
8 lar license with respect to which grounds for revocation or sus-  
9 pension ~~may occur or~~ exist. ~~, or, if he shall find that such~~  
10 IF THE COMMISSIONER FINDS THAT grounds for revocation or suspen-  
11 sion are of general application to all offices, or to more than 1  
12 office, operated by the licensee, he ~~shall~~ OR SHE MAY revoke or  
13 suspend 1 OR all of the licenses issued to the licensee. ~~or such~~  
14 ~~licenses as such grounds apply to.~~

15 (4) ~~Any~~ A licensee may surrender ~~any~~ A license by deliv-  
16 ering to the commissioner written notice that ~~he~~ THE LICENSEE  
17 surrenders the license. ~~, but the surrender shall~~ THE SURRENDER  
18 OF A LICENSE DOES not affect the licensee's civil or criminal  
19 liability for acts committed ~~prior to~~ BEFORE surrender.

20 (5) ~~No revocation or~~ REVOCATION, suspension, or surrender  
21 of ~~any~~ A license ~~shall~~ DOES NOT impair or affect the obliga-  
22 tion of any preexisting lawful contract between the licensee and  
23 any borrower.

24 (6) ~~Every~~ A license shall remain in force until the ~~same~~  
25 ~~shall have been~~ LICENSE IS surrendered, revoked, or suspended  
26 ~~in accordance with~~ UNDER this act. ~~but the~~ THE commissioner  
27 ~~shall have authority on his own initiative to~~ MAY reinstate

1 suspended licenses or ~~to~~ issue new licenses to a licensee whose  
2 license ~~shall have~~ HAS been revoked if no fact or condition  
3 ~~then~~ exists ~~which~~ THAT clearly would have warranted the com-  
4 missioner in refusing originally to issue ~~the~~ A license.

5       (7) ~~Whenever~~ IF the commissioner ~~shall revoke or suspend~~  
6 REVOKES OR SUSPENDS a license, he OR SHE shall ~~forthwith~~ file  
7 with the ~~financial institutions bureau~~ OFFICE OF FINANCIAL OR  
8 INSURANCE SERVICES a written transcript of evidence and an order  
9 ~~to that effect and findings with respect thereto~~ containing the  
10 evidence and the reasons supporting the revocation or suspension.  
11 ~~, and forthwith serve upon the licensee a copy thereof.~~ A COPY  
12 OF THE ORDER SHALL BE SERVED ON THE LICENSEE.

13       SEC. 9A. (1) IF IN THE OPINION OF THE COMMISSIONER A  
14 LICENSEE IS, HAS, OR IS ABOUT TO ENGAGE IN A PRACTICE THAT POSES  
15 A THREAT OF FINANCIAL LOSS OR THREAT TO THE PUBLIC WELFARE OR IS,  
16 HAS, OR IS ABOUT TO VIOLATE A LAW OR RULE, THE COMMISSIONER MAY  
17 SERVE A NOTICE OF INTENTION TO ISSUE A CEASE AND DESIST ORDER AS  
18 PROVIDED IN SUBSECTION (2).

19       (2) A NOTICE SERVED UNDER THIS SECTION SHALL CONTAIN A  
20 STATEMENT OF THE FACTS CONSTITUTING THE ALLEGED PRACTICE OR VIO-  
21 LATION AND FIX A TIME AND PLACE AT WHICH A HEARING WILL BE HELD  
22 TO DETERMINE WHETHER AN ORDER TO CEASE AND DESIST SHOULD BE  
23 ISSUED AGAINST THE LICENSEE.

24       (3) IF THE LICENSEE FAILS TO APPEAR AT THE HEARING BY A DULY  
25 AUTHORIZED REPRESENTATIVE, THE LICENSEE SHALL HAVE CONSENTED TO  
26 THE ISSUANCE OF THE CEASE AND DESIST ORDER.

1       (4) IN THE EVENT OF CONSENT UNDER SUBSECTION (3) OR IF, UPON  
2 THE RECORD MADE AT THE HEARING, THE COMMISSIONER FINDS THAT THE  
3 PRACTICE OR VIOLATION SPECIFIED IN THE NOTICE HAS BEEN ESTAB-  
4 LISHED, THE COMMISSIONER MAY SERVE UPON THE LICENSEE AN ORDER TO  
5 CEASE AND DESIST FROM THE PRACTICE OR VIOLATION. THE ORDER MAY  
6 REQUIRE THE LICENSEE AND ITS OFFICERS, DIRECTORS, MEMBERS, PART-  
7 NERS, TRUSTEES, EMPLOYEES, AGENTS, AND CONTROL PERSONS TO CEASE  
8 AND DESIST FROM THE PRACTICE OR VIOLATION AND TO TAKE AFFIRMATIVE  
9 ACTION TO CORRECT THE CONDITIONS RESULTING FROM THE PRACTICE OR  
10 VIOLATION.

11       (5) EXCEPT AS PROVIDED IN SUBSECTION (6) OR TO THE EXTENT IT  
12 IS STAYED, MODIFIED, TERMINATED, OR SET ASIDE BY THE COMMISSIONER  
13 OR A COURT, A CEASE AND DESIST ORDER SHALL BECOME EFFECTIVE ON  
14 THE DATE OF SERVICE.

15       (6) A CEASE AND DESIST ORDER ISSUED UPON CONSENT SHALL  
16 BECOME EFFECTIVE AT THE TIME SPECIFIED IN THE ORDER AND REMAIN  
17 EFFECTIVE AND ENFORCEABLE AS PROVIDED IN THE ORDER.

18       SEC. 9B. (1) AS PROVIDED IN SECTION 10, THE COMMISSIONER  
19 MAY INVESTIGATE OR CONDUCT AN EXAMINATION OF ANY PERSON AND CON-  
20 DUCT HEARINGS AS THE COMMISSIONER CONSIDERS NECESSARY TO DETER-  
21 MINE WHETHER A LICENSEE OR ANY OTHER PERSON HAS VIOLATED THIS  
22 ACT, OR WHETHER A LICENSEE HAS CONDUCTED BUSINESS IN A MANNER  
23 THAT WOULD JUSTIFY SUSPENSION OR REVOCATION OF ITS LICENSE.

24       (2) UPON THE FILING OF A COMPLAINT OR THE TAKING OF ACTION  
25 AGAINST A LICENSEE UNDER SECTION 9C, THE COMMISSIONER MAY ISSUE  
26 AND SERVE UPON A LICENSEE AN ORDER SUSPENDING THAT PERSON'S  
27 LICENSE. THE ORDER SHALL BE SUPPORTED BY AN AFFIDAVIT FROM A

1 PERSON FAMILIAR WITH THE FACTS SET FORTH IN THE AFFIDAVIT AND  
2 SHALL CONTAIN INFORMATION THAT AN IMMINENT THREAT OF FINANCIAL  
3 LOSS OR THREAT TO THE PUBLIC WELFARE EXISTS.

4 (3) UPON SERVICE OF THE ORDER UNDER SUBSECTION (2), THE  
5 LICENSEE SHALL HAVE 20 DAYS TO FILE WITH THE COMMISSIONER A  
6 REQUEST FOR A HEARING. THE HEARING SHALL BE SCHEDULED WITHIN 20  
7 DAYS OF THE RECEIPT OF A REQUEST FILED UNDER THIS SUBSECTION.

8 (4) A SUSPENSION OF A LICENSE UNDER THIS SECTION SHALL CON-  
9 TINUE UNTIL THE COMMISSIONER FINDS THAT THE THREAT OF FINANCIAL  
10 LOSS OR THREAT TO THE PUBLIC WELFARE NO LONGER EXISTS.

11 SEC. 9C. (1) IF IN THE OPINION OF THE COMMISSIONER A PERSON  
12 HAS ENGAGED IN FRAUD, THE COMMISSIONER MAY SERVE UPON THAT PERSON  
13 A WRITTEN NOTICE OF INTENTION TO PROHIBIT THAT PERSON FROM BEING  
14 EMPLOYED BY, AN AGENT OF, OR CONTROL PERSON OF A LICENSEE UNDER  
15 THIS ACT OR A LICENSEE OR REGISTRANT UNDER A FINANCIAL LICENSING  
16 ACT. FOR PURPOSES OF THIS SECTION, "FRAUD" SHALL INCLUDE ACTION-  
17 ABLE FRAUD, ACTUAL OR CONSTRUCTIVE FRAUD, CRIMINAL FRAUD, EXTRIN-  
18 SIC OR INTRINSIC FRAUD, FRAUD IN THE EXECUTION, IN THE INDUCE-  
19 MENT, IN FACT, OR IN LAW, OR ANY OTHER FORM OF FRAUD.

20 (2) A NOTICE ISSUED UNDER SUBSECTION (1) SHALL CONTAIN A  
21 STATEMENT OF THE FACTS SUPPORTING THE PROHIBITION AND, EXCEPT AS  
22 PROVIDED UNDER SUBSECTION (7), SET A HEARING TO BE HELD NOT MORE  
23 THAN 60 DAYS AFTER THE DATE OF THE NOTICE. IF THE PERSON DOES  
24 NOT APPEAR AT THE HEARING, HE OR SHE IS CONSIDERED TO HAVE CON-  
25 SENTED TO THE ISSUANCE OF AN ORDER IN ACCORDANCE WITH THE  
26 NOTICE.



1 (3) IF AFTER A HEARING HELD UNDER SUBSECTION (2) THE  
2 COMMISSIONER FINDS THAT ANY OF THE GROUNDS SPECIFIED IN THE  
3 NOTICE HAVE BEEN ESTABLISHED, THE COMMISSIONER MAY ISSUE AN ORDER  
4 OF SUSPENSION OR PROHIBITION FROM BEING A LICENSEE OR REGISTRANT  
5 OR FROM BEING EMPLOYED BY, AN AGENT OF, OR CONTROL PERSON OF ANY  
6 LICENSEE UNDER THIS ACT OR A LICENSEE OR REGISTRANT UNDER A  
7 FINANCIAL LICENSING ACT.

8 (4) AN ORDER ISSUED UNDER SUBSECTION (2) OR (3) IS EFFECTIVE  
9 UPON SERVICE UPON THE PERSON. THE COMMISSIONER SHALL ALSO SERVE  
10 A COPY OF THE ORDER UPON THE LICENSEE OF WHICH THE PERSON IS AN  
11 EMPLOYEE, AGENT, OR CONTROL PERSON. THE ORDER REMAINS IN EFFECT  
12 UNTIL IT IS STAYED, MODIFIED, TERMINATED, OR SET ASIDE BY THE  
13 COMMISSIONER OR A REVIEWING COURT.

14 (5) AFTER 5 YEARS FROM THE DATE OF AN ORDER ISSUED UNDER  
15 SUBSECTION (2) OR (3), THE PERSON SUBJECT TO THE ORDER MAY APPLY  
16 TO THE COMMISSIONER TO TERMINATE THE ORDER.

17 (6) IF THE COMMISSIONER CONSIDERS THAT A PERSON SERVED A  
18 NOTICE UNDER SUBSECTION (1) POSES AN IMMINENT THREAT OF FINANCIAL  
19 LOSS TO APPLICANTS FOR LOANS, MORTGAGE LOANS, SECONDARY MORTGAGE  
20 LOANS, CREDIT CARD ARRANGEMENTS, OR INSTALLMENT SALES CREDIT,  
21 BORROWERS ON LOANS, OBLIGORS ON INSTALLMENT SALE CONTRACTS, LOAN  
22 SERVICING CUSTOMERS, PURCHASERS OF MORTGAGE LOANS OR INTERESTS IN  
23 MORTGAGE LOANS, OR PURCHASERS OF CHECKS FROM A LICENSEE, THE COM-  
24 MISSIONER MAY SERVE UPON THE PERSON AN ORDER OF SUSPENSION FROM  
25 BEING EMPLOYED BY, AN AGENT OF, OR CONTROL PERSON OF ANY  
26 LICENSEE. THE SUSPENSION IS EFFECTIVE ON THE DATE THE ORDER IS  
27 ISSUED AND, UNLESS STAYED BY A COURT, REMAINS IN EFFECT PENDING

1 THE COMPLETION OF A REVIEW AS PROVIDED UNDER THIS SECTION AND THE  
2 COMMISSIONER HAS DISMISSED THE CHARGES SPECIFIED IN THE ORDER.

3 (7) UNLESS OTHERWISE AGREED TO BY THE COMMISSIONER AND THE  
4 PERSON SERVED WITH AN ORDER ISSUED UNDER SUBSECTION (6), THE  
5 HEARING REQUIRED UNDER SUBSECTION (2) TO REVIEW THE SUSPENSION  
6 SHALL BE HELD NOT EARLIER THAN 5 DAYS OR LATER THAN 20 DAYS AFTER  
7 THE DATE OF THE NOTICE.

8 (8) IF A PERSON IS CONVICTED OF A FELONY INVOLVING FRAUD,  
9 DISHONESTY, OR BREACH OF TRUST, THE COMMISSIONER MAY ISSUE AN  
10 ORDER SUSPENDING OR PROHIBITING THAT PERSON FROM BEING A LICENSEE  
11 AND FROM BEING EMPLOYED BY, AN AGENT OF, OR CONTROL PERSON OF ANY  
12 LICENSEE UNDER THIS ACT OR A LICENSEE OR REGISTRANT UNDER A  
13 FINANCIAL LICENSING ACT. AFTER 5 YEARS FROM THE DATE OF THE  
14 ORDER, THE PERSON SUBJECT TO THE ORDER MAY APPLY TO THE COMMIS-  
15 SIONER TO TERMINATE THE ORDER.

16 (9) THE COMMISSIONER SHALL MAIL A COPY OF ANY NOTICE OR  
17 ORDER ISSUED UNDER THIS SECTION TO THE LICENSEE OF WHICH THE  
18 PERSON SUBJECT TO THE NOTICE OR ORDER IS AN EMPLOYEE, AGENT, OR  
19 CONTROL PERSON.

20 SEC. 9D. (1) A HEARING UNDER SECTIONS 9, 9A, AND 9C SHALL  
21 BE CONDUCTED UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969,  
22 1969 PA 306, MCL 24.201 TO 24.328. WITHIN 30 DAYS AFTER THE COM-  
23 MISSIONER HAS NOTIFIED THE PARTIES THAT THE CASE HAS BEEN SUBMIT-  
24 TED TO HIM OR HER FOR FINAL DECISION, THE COMMISSIONER SHALL  
25 RENDER A DECISION THAT SHALL INCLUDE FINDINGS OF FACT SUPPORTING  
26 THE DECISION AND SERVE UPON EACH PARTY TO THE PROCEEDING A COPY  
27 OF THE DECISION AND AN ORDER CONSISTENT WITH THE DECISION.

1       (2) EXCEPT FOR A CONSENT ORDER, A PARTY TO THE PROCEEDING OR  
2 A PERSON AFFECTED BY AN ORDER ISSUED UNDER SECTIONS 9, 9A, AND 9C  
3 MAY OBTAIN A JUDICIAL REVIEW OF THE ORDER. A CONSENT ORDER MAY  
4 BE REVIEWED AS PROVIDED UNDER THE ADMINISTRATIVE PROCEDURES ACT  
5 OF 1969, 1969 PA 306, MCL 24.201 TO 24.328. EXCEPT FOR AN ORDER  
6 UNDER JUDICIAL REVIEW, THE COMMISSIONER MAY TERMINATE OR SET  
7 ASIDE ANY ORDER. THE COMMISSIONER MAY TERMINATE OR SET ASIDE AN  
8 ORDER UNDER JUDICIAL REVIEW WITH THE PERMISSION OF THE COURT.

9       (3) UNLESS ORDERED BY THE COURT, THE COMMENCEMENT OF PRO-  
10 CEEDINGS FOR JUDICIAL REVIEW UNDER SUBSECTION (2) DOES NOT STAY  
11 THE COMMISSIONER'S ORDER.

12       SEC. 9E. THE COMMISSIONER MAY APPLY TO THE CIRCUIT COURT OF  
13 INGHAM COUNTY FOR THE ENFORCEMENT OF ANY OUTSTANDING ORDER ISSUED  
14 UNDER SECTION 9, 9A, 9B, OR 9C.

15       SEC. 9F. ANY CURRENT OR FORMER EXECUTIVE OFFICER, DIRECTOR,  
16 AGENT, OR CONTROL PERSON WHO VIOLATES A FINAL ORDER ISSUED UNDER  
17 SECTION 9C IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT  
18 MORE THAN \$5,000.00 OR IMPRISONMENT FOR NOT MORE THAN 1 YEAR, OR  
19 BOTH.

20       SEC. 9G. A CONTROL PERSON WHO IS SUBJECT TO AN ORDER ISSUED  
21 UNDER SECTION 9C AND WHO MEETS ALL OF THE FOLLOWING REQUIREMENTS  
22 IS NOT IN VIOLATION OF THE ORDER:

23       (A) THE CONTROL PERSON SHALL NOT IN ANY MANNER, DIRECTLY OR  
24 INDIRECTLY, PARTICIPATE IN THE CONTROL OF A LICENSEE AFTER THE  
25 DATE THE ORDER IS ISSUED.

1 (B) THE CONTROL PERSON SHALL WITHIN 6 MONTHS AFTER THE DATE  
2 THE ORDER IS FINAL TRANSFER ANY INTEREST THE CONTROL PERSON OWNS  
3 IN A LICENSEE TO AN UNRELATED THIRD PARTY.

4 Sec. 12. (1) A licensee or other person shall not, DIRECTLY  
5 OR INDIRECTLY, advertise, print, display, publish, distribute, or  
6 broadcast ~~or cause or permit to be advertised, printed, dis=~~  
7 ~~played, published, distributed, or broadcast, in any manner~~  
8 ~~whatsoever~~ a false, misleading, or deceptive statement or repre-  
9 sentation with regard to the rates, terms, or conditions for the  
10 lending of money, credit, goods, or things in action ~~in an~~  
11 ~~amount or of a value included within the regulatory loan ceiling~~  
12 at a greater rate of charge than lenders not licensed under this  
13 act would be permitted by law to make. ~~or, in the case of a~~  
14 ~~licensee,~~ A LICENSEE SHALL NOT MAKE any statement or representa-  
15 tion ~~which~~ THAT refers to the supervision of the business by  
16 this state or a department or official of this state except with  
17 the approval of the commissioner. ~~The commissioner may order a~~  
18 ~~licensee to desist from conduct which the commissioner finds is a~~  
19 ~~violation of this section.~~

20 (2) The commissioner may require that rates of charge, if  
21 stated by a licensee, be stated fully and clearly in a manner the  
22 commissioner considers necessary to prevent misunderstanding by  
23 prospective borrowers.

24 (3) A licensee shall not take a lien upon real estate as  
25 security for a loan made under this act, except a lien acquired  
26 by execution or otherwise after the entry of a judgment.

1       (4) A licensee shall not conduct the business of making  
2 loans under this act ~~within an office, room, suite, or place of~~  
3 ~~business~~ AT A LOCATION in which any other business is ~~solicited~~  
4 ~~or~~ engaged in, or in association or conjunction with the busi-  
5 ness, if the commissioner finds, after ~~5 days' written notice~~  
6 ~~and after a~~ NOTICE AND hearing, that the other business is of  
7 ~~such~~ a nature that the conduct has concealed or facilitated  
8 evasion of this act or ~~of the general rules lawfully~~ THE RULES  
9 made under this act, and ~~shall order the licensee in writing to~~  
10 ~~desist from that conduct, but the order shall not be made by the~~  
11 ~~commissioner unless the commissioner finds that the other busi-~~  
12 ~~ness has been so conducted at that particular location that it~~  
13 ~~has concealed or facilitated evasion of this act~~ HAS ORDERED THE  
14 LICENSEE TO DESIST FROM CONDUCTING BUSINESS AT THE LOCATION.

15       (5) A licensee shall not transact business or make a loan  
16 ~~provided for by~~ UNDER this act ~~under any other~~ USING A name  
17 or at any other place of business within this state than that  
18 named in the license. ~~, unless it is also an office of the~~  
19 ~~licensee duly licensed under this act.~~ This subsection ~~shall~~  
20 ~~not be construed to~~ DOES NOT prohibit a licensee from transact-  
21 ing business or making a loan by mail.

22       (6) A licensee shall not take a confession of judgment or a  
23 power of attorney to appear or to confess judgment on behalf of a  
24 borrower. A licensee shall not take a note or evidence of  
25 indebtedness that does not accurately disclose the actual amount  
26 of the loan, the time for which ~~it~~ THE LOAN is made, and the

1 agreed rate of charge ~~—~~ or an instrument in which blanks are  
2 left to be filled in after execution.

3 (7) A licensee shall not discriminate against a person in  
4 the extension of credit on the basis of sex or marital status.

5 (8) EXCEPT AS PROVIDED UNDER SECTION 9G, KNOWINGLY PERMIT A  
6 PERSON TO VIOLATE AN ORDER THAT HAS BEEN ISSUED UNDER THIS ACT OR  
7 ANY OTHER FINANCIAL LICENSING ACT THAT PROHIBITS THAT PERSON FROM  
8 BEING EMPLOYED BY, AN AGENT OF, OR A CONTROL PERSON OF THE  
9 LICENSEE.

10 Sec. 18. (1) A person, except as authorized by this act,  
11 shall not directly or indirectly charge, contract for, or receive  
12 an interest, discount, or consideration greater than the lender  
13 would be permitted by law to charge if the lender were not  
14 licensed under this act upon the loan, use, or forbearance of  
15 money, goods, or things in action, or upon the loan, use, or sale  
16 of credit. ~~of the amount or value included within the regulatory~~  
17 ~~loan ceiling.~~

18 (2) The prohibition ~~specified in~~ UNDER subsection (1)  
19 applies to a person who or ~~which~~ THAT, by any device, subter-  
20 fuge, or pretense charges, contracts for, or receives greater  
21 interest, consideration, or charges than authorized by this act  
22 for the loan, use, or forbearance of money, goods, or things in  
23 action or for the loan, use, or sale of credit.

24 (3) This act does not apply to loans legally made in another  
25 state or country by a licensee under a regulatory loan law simi-  
26 lar in principle to this act, except that loans made by mail to  
27 ~~Michigan~~ residents OF THIS STATE are subject to this act.