

SUBSTITUTE FOR
SENATE BILL NO. 829

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
(MCL 445.1651 to 445.1684) by adding section 2b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2B. (1) A LOAN OFFICER REGISTRATION IS VALID FOR 1
2 CALENDAR YEAR AND TERMINATES ON DECEMBER 31 UNLESS IT IS RENEWED ON
3 OR BEFORE THAT DATE.
4 (2) SUBJECT TO SUBSECTION (6), TO RENEW THE LOAN OFFICER
5 REGISTRATIONS OF THE LOAN OFFICER REGISTRANTS WHO ARE EMPLOYEES OR
6 AGENTS OF A LICENSEE OR REGISTRANT, THE LICENSEE OR REGISTRANT
7 SHALL SUBMIT AN APPLICATION FOR RENEWAL BEFORE DECEMBER 1 OF THE
8 YEAR OF THE CURRENT LOAN OFFICER REGISTRATIONS. THE LICENSEE OR
9 REGISTRANT SHALL INCLUDE WITH THE APPLICATION THE ANNUAL OPERATING
10 FEE ESTABLISHED IN SECTION 8(3) FOR EACH LOAN OFFICER REGISTRANT

1 INCLUDED IN THE APPLICATION.

2 (3) THE COMMISSIONER SHALL PRESCRIBE THE FORM OF THE
3 APPLICATION FOR RENEWAL OF LOAN OFFICER REGISTRATIONS UNDER
4 SUBSECTION (2) AND THE PROCESS FOR SUBMITTING AN APPLICATION FOR
5 RENEWAL. THE APPLICATION FORM SHALL REQUIRE THAT AN APPLICANT
6 PROVIDE AT LEAST ALL OF THE FOLLOWING INFORMATION ABOUT EACH LOAN
7 OFFICER REGISTRANT INCLUDED IN THE APPLICATION FOR RENEWAL:

8 (A) THE NAME, ADDRESS, AND CURRENT LICENSE OR REGISTRATION
9 NUMBER OF THE APPLICANT.

10 (B) THE NAME AND HOME ADDRESS OF THE LOAN OFFICER REGISTRANT.

11 (C) THE CURRENT REGISTRATION NUMBER OF THE LOAN OFFICER
12 REGISTRANT.

13 (D) A STATEMENT AS TO WHETHER THE LOAN OFFICER REGISTRANT HAS
14 HAD AN APPLICATION DENIED, OR A LICENSE, REGISTRATION, OR SIMILAR
15 AUTHORITY REVOKED OR SUSPENDED, TO PRACTICE ANY PROFESSION OR
16 OCCUPATION IN ANY JURISDICTION, INCLUDING, BUT NOT LIMITED TO,
17 LICENSURE OR REGISTRATION AS A MORTGAGE BROKER, MORTGAGE LENDER, OR
18 MORTGAGE SERVICER IN WHICH THE LOAN OFFICER REGISTRANT HELD MORE
19 THAN 25% OF THE OWNERSHIP INTEREST OR AS A LOAN OFFICER.

20 (E) EXCEPT AS PROVIDED IN SUBSECTION (7), PROOF ACCEPTABLE TO
21 THE COMMISSIONER THAT THE LOAN OFFICER REGISTRANT HAS IN THE
22 IMMEDIATELY PRECEDING CALENDAR YEAR COMPLETED AT LEAST 6 HOURS OF
23 INSTRUCTION IN A COURSE OR COURSES RELEVANT TO THE RESIDENTIAL
24 MORTGAGE LENDING INDUSTRY, THE CONTENT OF WHICH HAS BEEN APPROVED
25 BY THE COMMISSIONER. THE 6 HOURS OF INSTRUCTION SHALL INCLUDE AT
26 LEAST 1.5 HOURS RELATED TO LEGAL AND REGULATORY COMPLIANCE AND AT
27 LEAST 1 HOUR RELATED TO ETHICS AND FRAUD PREVENTION. ALL OF THE

1 FOLLOWING APPLY TO THE COURSE OR COURSES DESCRIBED IN THIS
2 SUBDIVISION:

3 (i) A COURSE MAY UTILIZE A LIVE INSTRUCTOR OR BE CONDUCTED BY
4 ELECTRONIC MEANS, INCLUDING, BUT NOT LIMITED TO, THE INTERNET,
5 DIGITAL BROADCAST, OR SATELLITE NETWORK. HOWEVER, A COURSE
6 CONDUCTED BY ELECTRONIC MEANS MUST INCLUDE A METHOD OF CONFIRMING A
7 LOAN OFFICER REGISTRANT'S COMPLETION OF THE COURSE.

8 (ii) THE COURSE MUST BE PROVIDED BY A PERSON APPROVED BY THE
9 COMMISSIONER.

10 (F) ANY OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

11 (4) BEFORE A LICENSEE OR REGISTRANT SUBMITS AN APPLICATION FOR
12 RENEWAL OF A LOAN OFFICER REGISTRATION FOR A LOAN OFFICER
13 REGISTRANT UNDER SUBSECTION (2), THE LOAN OFFICER REGISTRANT SHALL
14 PROVIDE AN AFFIDAVIT TO THE LICENSEE OR REGISTRANT THAT DISCLOSES
15 ANY CRIMINAL CONVICTION OF OR PLEA OF NO CONTEST BY THE LOAN
16 OFFICER REGISTRANT OCCURRING BETWEEN 1 OF THE FOLLOWING, AS
17 APPLICABLE, AND THE DATE OF THE AFFIDAVIT:

18 (A) IF THE RENEWAL APPLICATION IS FOR THE LOAN OFFICER
19 REGISTRANT'S FIRST RENEWAL OF HIS OR HER LOAN OFFICER REGISTRATION,
20 THE DATE OF THE BACKGROUND RECORDS CHECK PROVIDED AT THE TIME OF
21 HIS OR HER INITIAL REGISTRATION.

22 (B) IF THE RENEWAL APPLICATION IS FOR THE LOAN OFFICER
23 REGISTRANT'S SECOND OR SUBSEQUENT RENEWAL OF HIS OR HER LOAN
24 OFFICER REGISTRATION, THE DATE OF THE MOST RECENT AFFIDAVIT
25 PROVIDED BY THE LOAN OFFICER REGISTRANT TO THE LICENSEE OR
26 REGISTRANT UNDER THIS SUBSECTION.

27 (5) THE COMMISSIONER SHALL NOT RENEW THE LOAN OFFICER

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1 REGISTRATION OF ANY LOAN OFFICER WHO HAS EVER BEEN CONVICTED OF, OR
2 PLED NO CONTEST TO, ANY OF THE FOLLOWING:

3 (A) A FELONY OR MISDEMEANOR INVOLVING EMBEZZLEMENT, FORGERY,
4 FRAUD, A FINANCIAL TRANSACTION, OR SECURITIES.

5 (B) WITHIN THE 10-YEAR PERIOD PRECEDING THE DATE OF THE
6 APPLICATION FOR RENEWAL, A FELONY OTHER THAN A FELONY DESCRIBED IN
7 SUBDIVISION (A).

8 (6) IF AN INDIVIDUAL INCLUDED IN AN APPLICATION FOR RENEWAL
9 UNDER SUBSECTION (2) IS NOT CURRENTLY REGISTERED AND HIS OR HER
10 LOAN OFFICER REGISTRATION HAS NOT BEEN RENEWED FOR A PERIOD OF MORE
11 THAN 5 CONSECUTIVE CALENDAR YEARS, THE INDIVIDUAL MUST APPLY FOR A
12 LOAN OFFICER REGISTRATION UNDER SECTION 2A AS A NEW APPLICANT.
13 HOWEVER, THE APPLICANT MAY INCLUDE IN A RENEWAL APPLICATION UNDER
14 SUBSECTION (2) A REQUEST TO RENEW THE LOAN OFFICER REGISTRATION FOR
15 A LOAN OFFICER REGISTRANT WHO IS NOT CURRENTLY REGISTERED IF HIS OR
16 HER LOAN OFFICER REGISTRATION HAS NOT BEEN RENEWED FOR A PERIOD OF
17 FEWER THAN 5 CONSECUTIVE YEARS.

18 (7) AN APPLICANT UNDER SUBSECTION (2) FOR RENEWAL OF THE LOAN
19 OFFICER REGISTRATION OF A LOAN OFFICER REGISTRANT WHO HAS A VALID,
20 SIMILAR LICENSE OR REGISTRATION FROM ANOTHER STATE THAT HAS [
21 INSTRUCTIONAL PROCEDURES AND REQUIREMENTS FOR LOAN OFFICERS APPROVED BY
22 THE COMMISSIONER] MAY SATISFY SUBSECTION (3) (E) BY
23 SUBMITTING PROOF THAT HE OR SHE IS IN COMPLIANCE WITH THE
24 INSTRUCTIONAL REQUIREMENTS OF THAT STATE AT THE TIME OF
25 APPLICATION.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 94th Legislature are

1 enacted into law:

2 (a) Senate Bill No. 826.

3 (b) Senate Bill No. 827.

4 (c) Senate Bill No. 828.

5 (d) Senate Bill No. 830.

6 (e) Senate Bill No. 831.

7 (f) Senate Bill No. 832.

8 (g) Senate Bill No. 833.

9 (h) House Bill No. 5287.

10 (i) House Bill No. 5288.

11 (j) House Bill No. 5289.

12 (k) House Bill No. 5290.

13 (l) House Bill No. 5291.