

SUBSTITUTE FOR
HOUSE BILL NO. 5303

A bill to amend 2002 PA 660, entitled
"Consumer mortgage protection act,"
by amending sections 14 and 15 (MCL 445.1644 and 445.1645).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) The federal government and state solely regulate
2 the business of brokering, making, servicing, and collecting
3 ~~mortgage-HOME~~ loans in this state and the manner in which ~~any such~~
4 **THAT** business is conducted.

5 (2) Any charter, ordinance, resolution, regulation, rule, or
6 other action by a municipal corporation or other political
7 subdivision of this state to regulate, directly or indirectly, the
8 brokering, making, servicing, or collecting of ~~mortgage-HOME~~ loans
9 constitutes a statutory conflict with the uniform operation

1 throughout the state of residential mortgage lending and is
2 preempted.

3 (3) Any charter, ordinance, resolution, regulation, rule, or
4 other action by a municipal corporation or other political
5 subdivision of this state to collect information about, require
6 reporting of, pledges regarding, notices, or certifications
7 concerning **HOME** loans, ~~lenders~~ **CREDITORS**, applicants, deposits, or
8 credit experiences, character, and criminal background checks of
9 employees, agents, customers, or other persons is preempted by this
10 act.

11 (4) Any charter, ordinance, resolution, regulation, rule, or
12 other action by a municipal corporation or other political
13 subdivision of this state that attempts to regulate the brokering,
14 making, servicing, or collecting of ~~mortgage~~ **HOME** loans constitutes
15 a statutory conflict and is preempted, including, without
16 limitation, if the ordinance, resolution, regulation, or other
17 action does either of the following:

18 (a) Disqualifies a person, or its subsidiaries or affiliates,
19 from doing business with the municipal corporation or other
20 political subdivision based upon the acts or practices of the
21 person or its subsidiaries or affiliates in brokering, making,
22 servicing, or collecting ~~mortgage~~ **HOME** loans.

23 (b) Imposes reporting requirements or other obligations upon a
24 person, or its subsidiaries or affiliates, based upon the person's,
25 or its subsidiaries' or affiliates', acts or practices in
26 brokering, making, servicing, or collecting ~~mortgage~~ **HOME** loans.

27 ~~—— (5) If any provision of this section, or any application of~~

~~any provision of this section, is for any reason held to be illegal or invalid, the illegality or invalidity shall not affect any legal and valid provision or application of this section, and the provisions and applications of this section shall be severable.~~

Sec. 15. (1) The laws of this state relating to the brokering, making, servicing, and collecting of ~~mortgage~~**HOME** loans prescribe rules of conduct upon citizens generally, comprise a comprehensive regulatory framework intended to operate uniformly throughout the state under the same circumstances and conditions, and constitute general laws of this state.

(2) Silence in the statutes of this state with respect to any act or practice in the brokering, making, servicing, or collecting of ~~mortgage~~**HOME** loans shall not be interpreted to mean that the state has not completely occupied the field or has only set minimum standards in its regulation of brokering, making, servicing, or collecting of ~~mortgage~~**HOME** loans.

(3) It is the intent of the legislature to entirely preempt municipal corporations and other political subdivisions from the regulation and licensing of persons engaged in the brokering, making, servicing, or collecting of ~~mortgage~~**HOME** loans in this state.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 94th Legislature are enacted into law:

(a) House Bill No. 5294.

(b) House Bill No. 5295.

(c) House Bill No. 5296.

- 1 (d) House Bill No. 5297.
- 2 (e) House Bill No. 5299.
- 3 (f) House Bill No. 5300.
- 4 (g) House Bill No. 5301.
- 5 (h) House Bill No. 5302.