

SUBSTITUTE FOR
SENATE BILL NO. 832

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
by amending section 22a (MCL 445.1672a), as added by 1996 PA 210,
and by adding section 22b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 22a. (1) A licensee or registrant shall not, directly or
2 indirectly, make a false, misleading, or deceptive advertisement
3 regarding mortgage loans or the availability of mortgage loans.

4 (2) A licensee **OR REGISTRANT** shall not advertise any size of
5 loan, security required for a loan, rate of charge, or other
6 condition of lending except with the full intent of making loans at
7 those rates, or lower rates, and under those conditions, to
8 mortgage loan applicants who meet the standards or qualifications
9 prescribed by the licensee **OR REGISTRANT**.

10 **SEC. 22B. A LOAN OFFICER REGISTRANT SHALL NOT DO ANY OF THE**

1 FOLLOWING:

2 (A) ENGAGE IN FRAUD, DECEIT, OR MATERIAL MISREPRESENTATION IN
3 CONNECTION WITH ANY TRANSACTION GOVERNED BY THIS ACT.

4 (B) INTENTIONALLY, OR DUE TO GROSS OR WANTON NEGLIGENCE,
5 REPEATEDLY FAIL TO PROVIDE BORROWERS WITH ANY MATERIAL DISCLOSURES
6 OF INFORMATION REQUIRED BY LAW.

7 (C) DIRECTLY OR INDIRECTLY MAKE A FALSE, MISLEADING, OR
8 DECEPTIVE ADVERTISEMENT REGARDING MORTGAGE LOANS OR THE
9 AVAILABILITY OF MORTGAGE LOANS.

10 (D) SUPPRESS OR WITHHOLD FROM THE COMMISSIONER ANY INFORMATION
11 THAT THE LOAN OFFICER POSSESSES AND THAT, IF SUBMITTED, WOULD HAVE
12 MADE THE LOAN OFFICER INELIGIBLE FOR REGISTRATION OR RENEWAL OF HIS
13 OR HER LOAN OFFICER REGISTRATION UNDER THIS ACT AT THE TIME OF
14 APPLICATION AND WOULD HAVE ALLOWED THE COMMISSIONER TO REFUSE TO
15 REGISTER THE LOAN OFFICER.

16 (E) BE CONVICTED OF, OR PLEAD NO CONTEST TO, ANY OF THE
17 FOLLOWING:

18 (i) A MISDEMEANOR INVOLVING EMBEZZLEMENT, FORGERY, FRAUD, A
19 FINANCIAL TRANSACTION, OR SECURITIES.

20 (ii) A FELONY.

21 (F) REFUSE OR FAIL TO FURNISH ANY INFORMATION OR MAKE ANY
22 REPORT REQUIRED BY THE COMMISSIONER TO ISSUE OR RENEW A LOAN
23 OFFICER REGISTRATION, OR OTHERWISE REQUIRED BY THE COMMISSIONER,
24 WITHIN A REASONABLE PERIOD OF TIME, AS DETERMINED BY THE
25 COMMISSIONER, AFTER REQUESTED BY THE COMMISSIONER.

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. 829.
- 6 (e) Senate Bill No. 830.
- 7 (f) Senate Bill No. 831.
- 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.