

SUBSTITUTE FOR
SENATE BILL NO. 826

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
by amending section 33 (MCL 445.1683).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 33. ~~This act shall not take effect unless all of the~~
2 ~~following bills of the 84th Legislature are enacted into law:~~

3 ~~— (a) House Bill No. 4702.~~

4 ~~— (b) House Bill No. 4703.~~

5 (1) THE MORTGAGE INDUSTRY ADVISORY BOARD IS CREATED.

6 (2) ALL OF THE FOLLOWING APPLY TO THE BOARD:

7 (A) THE BOARD SHALL CONSIST OF 7 INDIVIDUALS, APPOINTED BY THE
8 COMMISSIONER AS FOLLOWS:

9 (i) TWO INDIVIDUALS WHO ARE EMPLOYEES OF, ARE DIRECTORS OF, OR
10 HAVE AT LEAST A 25% OWNERSHIP INTEREST IN A LICENSEE OR REGISTRANT,

1 SELECTED BY THE COMMISSIONER FROM A LIST OF AT LEAST 3 NOMINEES
2 PROVIDED TO THE COMMISSIONER BY THE MICHIGAN MORTGAGE BROKERS
3 ASSOCIATION.

4 (ii) TWO INDIVIDUALS WHO ARE EMPLOYEES OF, ARE DIRECTORS OF, OR
5 HAVE AT LEAST A 25% OWNERSHIP INTEREST IN A LICENSEE OR REGISTRANT,
6 SELECTED BY THE COMMISSIONER FROM A LIST OF AT LEAST 3 NOMINEES
7 PROVIDED TO THE COMMISSIONER BY THE MICHIGAN MORTGAGE LENDERS
8 ASSOCIATION.

9 (iii) ONE EMPLOYEE WHO IS AN EMPLOYEE OF, A DIRECTOR OF, OR WHO
10 HAS AT LEAST A 25% OWNERSHIP INTEREST IN A LICENSEE OR REGISTRANT
11 THAT IS A MEMBER OF ANY TRADE ASSOCIATION OPERATING IN THIS STATE
12 THAT REPRESENTS MORTGAGE BROKERS, MORTGAGE LENDERS, OR MORTGAGE
13 SERVICERS. THE TRADE ASSOCIATIONS MAY RECOMMEND CANDIDATES FOR THIS
14 POSITION TO THE COMMISSIONER.

15 (iv) TWO INDIVIDUALS WHO ARE EMPLOYEES OF, ARE DIRECTORS OF, OR
16 HAVE AT LEAST A 25% OWNERSHIP INTEREST IN BUSINESS ENTITIES THAT
17 PROVIDE SERVICES TO OR PURCHASE SERVICES FROM LICENSEES OR
18 REGISTRANTS.

19 (B) THE TERM OF A BOARD MEMBER IS 4 YEARS, EXCEPT THAT FOR THE
20 FIRST BOARD, THE COMMISSIONER SHALL APPOINT 3 INDIVIDUALS FOR 2-
21 YEAR TERMS SO THAT THE TERMS OF OFFICE OF BOARD MEMBERS ARE
22 STAGGERED.

23 (C) AN INDIVIDUAL MAY NOT SERVE MORE THAN 2 CONSECUTIVE 4-YEAR
24 TERMS, AND THE COMMISSIONER MAY NOT REAPPOINT AN INDIVIDUAL WHO
25 SERVES 2 CONSECUTIVE 4-YEAR TERMS ON THE BOARD FOR AT LEAST 12
26 MONTHS AFTER THE END OF THOSE CONSECUTIVE TERMS.

27 (D) THE BOARD SHALL NOT INCLUDE MORE THAN 1 MEMBER WHO IS

1 EMPLOYED BY, IS A DIRECTOR OF, OR HAS MORE THAN A 1% OWNERSHIP
2 INTEREST IN THE SAME LICENSEE, REGISTRANT, AFFILIATE, OR OTHER
3 PERSON.

4 (E) EACH MEMBER OF THE BOARD SHALL SERVE WITHOUT COMPENSATION.
5 HOWEVER, THE OFFICE OF FINANCIAL AND INSURANCE SERVICES SHALL
6 REIMBURSE A MEMBER OF THE BOARD FOR HIS OR HER TRAVEL AND OTHER
7 EXPENSES INCURRED IN THE PERFORMANCE OF AN OFFICIAL BOARD FUNCTION
8 PURSUANT TO THE STANDARD TRAVEL REGULATIONS OF THE DEPARTMENT OF
9 MANAGEMENT AND BUDGET.

10 (F) THE BOARD SHALL RETAIN MINUTES OF ITS MEETINGS AND ANY
11 OTHER RECORDS OF THE BOARD FOR AT LEAST 10 YEARS. THE BOARD SHALL
12 MAKE ITS MINUTES AND ANY OTHER RECORDS PREPARED, OWNED, USED, IN
13 THE POSSESSION OF, OR RETAINED BY THE BOARD IN THE PERFORMANCE OF
14 AN OFFICIAL FUNCTION AVAILABLE TO THE COMMISSIONER IMMEDIATELY ON
15 REQUEST AND MAKE THOSE MINUTES AND RECORDS AVAILABLE TO THE PUBLIC
16 IN COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
17 15.231 TO 15.246.

18 (3) THE BOARD SHALL COMMUNICATE TO THE COMMISSIONER ISSUES OF
19 CONCERN TO THE RESIDENTIAL MORTGAGE INDUSTRY AND SHALL REVIEW AND
20 MAKE RECOMMENDATIONS TO THE COMMISSIONER CONCERNING ALL OF THE
21 FOLLOWING:

22 (A) COURSE SPONSORS OR PROVIDERS, COURSE INSTRUCTORS, AND THE
23 CONTENT OF AND MATERIALS FOR COURSES PROVIDED TO LOAN OFFICERS AND
24 LOAN OFFICER APPLICANTS UNDER SECTION 2A OR 2B.

25 (B) CONTENT AND PROCEDURES FOR EXAMINATIONS GIVEN TO LOAN
26 OFFICERS UNDER SECTION 2A.

27 (C) RULES PROPOSED UNDER THIS ACT.

1 (D) PROCEDURES TO VERIFY ATTENDANCE AT AND PARTICIPATION IN
2 COURSES CONDUCTED ELECTRONICALLY UNDER SECTION 2B(3)(E).

3 (E) PROCEDURES FOR MAINTAINING THE CONFIDENTIALITY OF PERSONAL
4 IDENTIFYING INFORMATION AND OTHER INFORMATION CONCERNING LICENSEES,
5 REGISTRANTS, AND APPLICANTS FOR LICENSE OR REGISTRATION.

6 (F) ANY OTHER ISSUE REFERRED TO THE BOARD BY THE COMMISSIONER.

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

10 (a) Senate Bill No. 827.

11 (b) Senate Bill No. 828.

12 (c) Senate Bill No. 829.

13 (d) Senate Bill No. 830.

14 (e) Senate Bill No. 831.

15 (f) Senate Bill No. 832.

16 (g) Senate Bill No. 833.

17 (h) House Bill No. 5287.

18 (i) House Bill No. 5288.

19 (j) House Bill No. 5289.

20 (k) House Bill No. 5290.

21 (l) House Bill No. 5291.