

SENATE BILL No. 826

October 16, 2007, Introduced by Senators RICHARDVILLE, ANDERSON, SANBORN, KAHN, GLEASON, SCHAUER, BIRKHOLZ, STAMAS, CLARKE, OLSHOVE, BROWN, CASSIS and HUNTER and referred to the Committee on Banking and Financial Institutions.

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. THE TERM OF A BOARD MEMBER IS 4 YEARS, EXCEPT THAT
9 FOR THE FIRST BOARD, THE COMMISSIONER SHALL APPOINT 3 INDIVIDUALS

1 FOR 2-YEAR TERMS SO THAT THE TERMS OF OFFICE OF BOARD MEMBERS ARE
2 STAGGERED.

3 (B) THE BOARD SHALL CONSIST OF THE FOLLOWING:

4 (i) FIVE INDIVIDUALS WHO ARE EMPLOYEES OF, ARE DIRECTORS OF, OR
5 HAVE AT LEAST A 25% OWNERSHIP INTEREST IN LICENSEES OR REGISTRANTS
6 THAT ARE MEMBERS OF A TRADE ASSOCIATION OPERATING IN THIS STATE
7 THAT REPRESENTS MORTGAGE BROKERS, MORTGAGE LENDERS, OR MORTGAGE
8 SERVICERS. THE TRADE ASSOCIATIONS MAY RECOMMEND CANDIDATES FOR THE
9 BOARD TO THE COMMISSIONER.

10 (ii) TWO INDIVIDUALS WHO ARE EMPLOYEES OF, ARE DIRECTORS OF, OR
11 HAVE AT LEAST A 25% OWNERSHIP INTEREST IN BUSINESS ENTITIES THAT
12 PROVIDE SERVICES TO OR PURCHASE SERVICES FROM LICENSEES OR
13 REGISTRANTS.

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

18 (D) THE BOARD SHALL NOT INCLUDE MORE THAN 1 MEMBER WHO IS
19 EMPLOYED BY, IS A DIRECTOR OF, OR HAS MORE THAN A 1% OWNERSHIP
20 INTEREST IN THE SAME LICENSEE, REGISTRANT, AFFILIATE, OR OTHER
21 PERSON.

22 (3) THE BOARD SHALL REVIEW AND MAKE RECOMMENDATIONS TO THE
23 COMMISSIONER CONCERNING ALL OF THE FOLLOWING:

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

27 (B) IF THE COMMISSIONER INDICATES THAT HE OR SHE IS

1 CONSIDERING CONTRACTING WITH AN OUTSIDE CONTRACTOR TO PROCESS LOAN
2 OFFICER REGISTRATION APPLICATIONS ON BEHALF OF THE COMMISSIONER, 1
3 CONTRACTOR CAPABLE OF PROVIDING THAT PROCESSING.

4 (C) CONTENT AND PROCEDURES FOR EXAMINATIONS GIVEN TO LOAN
5 OFFICERS UNDER SECTION 2A.

6 (D) PROCEDURES FOR ENFORCEMENT OF THIS ACT.

7 (E) RULES PROPOSED UNDER THIS ACT.

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

10 (G) PROCEDURES FOR MAINTAINING THE CONFIDENTIALITY OF PERSONAL
11 IDENTIFYING INFORMATION AND OTHER INFORMATION CONCERNING LICENSEES,
12 REGISTRANTS, AND APPLICANTS FOR LICENSE OR REGISTRATION.

13 (H) ANY OTHER ISSUE REFERRED TO THE BOARD BY THE COMMISSIONER.

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

17 (a) Senate Bill No.828.

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19 (b) House Bill No. 5288.

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21 (c) Senate Bill No. 829.

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23 (d) House Bill No. 5289.

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25 (e) Senate Bill No. 830.

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27 (f) Senate Bill No. 831.

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2 (g) House Bill No. 5287.

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4 (h) House Bill No. 5290.

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6 (i) House Bill No. 5291.

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8 (j) Senate Bill No. 833.

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10 (k) Senate Bill No. 832.

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