

SENATE BILL No. 829

October 16, 2007, Introduced by Senators STAMAS, RICHARDVILLE, ANDERSON, SANBORN, KAHN, GLEASON, SCHAUER, BIRKHOLZ, 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,"
(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), A LOAN OFFICER REGISTRANT
5 SEEKING RENEWAL OF HIS OR HER LOAN OFFICER REGISTRATION SHALL
6 SUBMIT AN APPLICATION FOR RENEWAL, IN WRITING, BEFORE DECEMBER 1 OF
7 THE YEAR OF HIS OR HER CURRENT REGISTRATION. THE APPLICANT SHALL
8 INCLUDE WITH THE APPLICATION THE ANNUAL OPERATING FEE ESTABLISHED
9 IN SECTION 8(3).

1 (3) THE COMMISSIONER SHALL PRESCRIBE THE FORM OF APPLICATION
2 FOR RENEWAL OF LOAN OFFICER REGISTRATION. THE APPLICATION FORM
3 SHALL REQUIRE THAT AN APPLICANT PROVIDE AT LEAST ALL OF THE
4 FOLLOWING INFORMATION:

5 (A) THE NAME AND HOME ADDRESS OF THE APPLICANT.

6 (B) THE CURRENT REGISTRATION NUMBER OF THE APPLICANT.

7 (C) IF THE APPLICANT IS EMPLOYED AT THE TIME HE OR SHE APPLIES
8 FOR REGISTRATION, THE NAME AND ADDRESS OF THE PRINCIPAL OFFICE OF
9 HIS OR HER EMPLOYER.

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

17 (E) EXCEPT AS PROVIDED IN SUBSECTION (8), WITH EVERY SECOND
18 ANNUAL RENEWAL APPLICATION BEGINNING WITH THE LOAN OFFICER
19 REGISTRANT'S SECOND ANNUAL RENEWAL APPLICATION, PROOF IN THE FORM
20 OF A CERTIFICATE OF COMPLETION OR OTHER EVIDENCE ACCEPTABLE TO THE
21 COMMISSIONER THAT THE APPLICANT HAS IN THE IMMEDIATELY PRECEDING 2
22 CALENDAR YEARS COMPLETED AT LEAST 12 HOURS OF INSTRUCTION IN A
23 COURSE OR COURSES RELEVANT TO THE RESIDENTIAL MORTGAGE LENDING
24 INDUSTRY, THE CONTENT OF WHICH HAS BEEN APPROVED BY THE
25 COMMISSIONER. THE 12 HOURS OF INSTRUCTION SHALL INCLUDE AT LEAST 3
26 HOURS RELATED TO LEGAL AND REGULATORY COMPLIANCE AND AT LEAST 2
27 HOURS RELATED TO ETHICS AND FRAUD PREVENTION. ALL OF THE FOLLOWING

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

2 (i) A COURSE THAT CONTAINS SUBSTANTIALLY SIMILAR SUBJECT MATTER
3 TO ANOTHER COURSE COMPLETED BY THE APPLICANT IN THE 2 CALENDAR
4 YEARS PRECEDING THE DATE OF THE APPLICANT'S LAST RENEWAL OF HIS OR
5 HER LOAN OFFICER REGISTRATION THAT REQUIRED PROOF OF COMPLETION
6 UNDER THIS SUBDIVISION DOES NOT COUNT TOWARD THE 12-HOUR
7 REQUIREMENT DESCRIBED IN THIS SUBDIVISION.

8 (ii) A COURSE MAY UTILIZE A LIVE INSTRUCTOR OR BE CONDUCTED BY
9 ELECTRONIC MEANS, INCLUDING, BUT NOT LIMITED TO, THE INTERNET,
10 DIGITAL BROADCAST, OR SATELLITE NETWORK. HOWEVER, A COURSE
11 CONDUCTED BY ELECTRONIC MEANS MUST INCLUDE A METHOD OF CONFIRMING
12 AN APPLICANT'S ATTENDANCE OF THE COURSE.

13 (iii) THE COURSE MUST BE PROVIDED BY A PERSON APPROVED BY THE
14 COMMISSIONER.

15 (F) A STATEMENT THAT THE APPLICANT'S LOAN OFFICER REGISTRATION
16 IS NOT SUBJECT TO AN ORDER OF SUSPENSION OR REVOCATION BY THE
17 COMMISSIONER.

18 (G) ANY OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

19 (4) AN APPLICANT FOR RENEWAL OF A LOAN OFFICER REGISTRATION
20 SHALL INCLUDE WITH THE APPLICATION AN AFFIDAVIT FROM THE LOAN
21 OFFICER REGISTRANT THAT DISCLOSES ANY CRIMINAL CONVICTION OF OR
22 PLEA OF NO CONTEST BY THE LOAN OFFICER REGISTRANT OCCURRING AFTER 1
23 OF THE FOLLOWING, AS APPLICABLE:

24 (A) IF THE RENEWAL APPLICATION IS THE LOAN OFFICER
25 REGISTRANT'S FIRST RENEWAL APPLICATION, THE DATE OF THE BACKGROUND
26 RECORDS CHECK PROVIDED AT THE TIME OF HIS OR HER INITIAL
27 APPLICATION.

1 (B) IF THE RENEWAL APPLICATION IS THE LOAN OFFICER
2 REGISTRANT'S SECOND OR SUBSEQUENT RENEWAL APPLICATION, THE DATE OF
3 THE MOST RECENT AFFIDAVIT SUBMITTED UNDER THIS SUBSECTION.

4 (5) THE COMMISSIONER SHALL NOT RENEW THE LOAN OFFICER
5 REGISTRATION OF ANY LOAN OFFICER WHO HAS EVER BEEN CONVICTED OF, OR
6 PLED NO CONTEST TO, ANY FELONY INVOLVING EMBEZZLEMENT, FORGERY,
7 FRAUD, A FINANCIAL TRANSACTION, OR SECURITIES.

8 (6) IF AN INDIVIDUAL APPLYING FOR LOAN OFFICER REGISTRATION IS
9 NOT CURRENTLY REGISTERED AND HAS NOT RENEWED HIS OR HER LOAN
10 OFFICER REGISTRATION FOR A PERIOD OF MORE THAN 5 CONSECUTIVE
11 CALENDAR YEARS, THE INDIVIDUAL IS NOT CONSIDERED A RENEWAL
12 APPLICANT AND MUST APPLY FOR LOAN OFFICER REGISTRATION UNDER
13 SECTION 2A AS A NEW APPLICANT.

14 (7) IF AN INDIVIDUAL APPLYING FOR LOAN OFFICER REGISTRATION IS
15 NOT CURRENTLY REGISTERED AND HAS NOT RENEWED HIS OR HER LOAN
16 OFFICER REGISTRATION FOR A PERIOD OF FEWER THAN 5 CONSECUTIVE
17 CALENDAR YEARS, THE INDIVIDUAL MAY DURING THAT PERIOD APPLY FOR
18 REGISTRATION UNDER THIS SECTION AS A RENEWAL APPLICANT.

19 (8) AN APPLICANT FOR LOAN OFFICER REGISTRATION WHO HAS A
20 VALID, SIMILAR LICENSE OR REGISTRATION FROM ANOTHER STATE THAT HAS
21 A RECIPROCAL AGREEMENT WITH THE COMMISSIONER CONCERNING INSTRUCTION
22 REQUIREMENTS FOR LOAN OFFICERS MAY SATISFY SUBSECTION (3) (D) BY
23 SUBMITTING PROOF THAT HE OR SHE IS IN COMPLIANCE WITH THE
24 INSTRUCTIONAL REQUIREMENTS OF THAT STATE AT THE TIME OF APPLICATION
25 FOR LOAN OFFICER REGISTRATION.

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. 828.

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4 (b) Senate Bill No. 826.

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6 (c) House Bill No. 5288.

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8 (d) House Bill No. 5289.

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10 (e) Senate Bill No. 830.

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12 (f) Senate Bill No. 831.

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14 (g) House Bill No. 5287.

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16 (h) House Bill No. 5290.

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18 (i) House Bill No. 5291.

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20 (j) Senate Bill No. 833.

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22 (k) Senate Bill No. 832.

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