

HOUSE BILL No. 4052

January 22, 2009, Introduced by Rep. Bettie Scott and referred to the Committee on Banking and Financial Services.

A bill to amend 2002 PA 660, entitled
"Consumer mortgage protection act,"
by amending the title and section 10 (MCL 445.1640).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to prohibit certain lending practices; to require
3 disclosure of certain information for home loans; to prescribe
4 certain duties and obligations of the lender in a home loan
5 transaction; to prescribe the powers and duties of certain state
6 agencies and officials; ~~and to prescribe penalties~~ **TO CREATE THE**
7 **MICHIGAN HOMEOWNERSHIP PRESERVATION FUND AND TO PROVIDE FOR ITS**
8 **FUNDING AND USE; TO PRESCRIBE AND PROVIDE FOR THE DISPOSITION OF**
9 **CIVIL FINES; and TO** provide for remedies.

10 Sec. 10. (1) The attorney general or the prosecuting attorney

1 for the county where an alleged violation occurred may bring an
2 action against a person to do 1 or more of the following:

3 (a) Obtain a declaratory judgment that a method, act, or
4 practice of the person is a violation of this act.

5 (b) Enjoin a person who is engaging or about to engage in a
6 method, act, or practice that is a violation of this act.

7 (c) Obtain a civil fine of not more than \$10,000.00 for the
8 first offense and not more than \$20,000.00 for the second and any
9 subsequent offense. **FINES RECEIVED UNDER THIS SUBDIVISION SHALL BE**
10 **DEPOSITED INTO THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND CREATED**
11 **IN SUBSECTION (2).**

12 (2) **THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND IS CREATED IN**
13 **THE STATE TREASURY. FINES ASSESSED UNDER SUBSECTION (1)(C) SHALL BE**
14 **DEPOSITED IN THE FUND AND USED BY THE COMMISSIONER TO DO ANY OF THE**
15 **FOLLOWING:**

16 (A) **AWARD GRANTS TO FINANCE FINANCIAL LITERACY PROGRAMS,**
17 **HOMEOWNERSHIP TRAINING, AND HOMEOWNERSHIP PROTECTION TRAINING.**

18 (B) **PROVIDE DOWN PAYMENT ASSISTANCE TO INDIVIDUALS SEEKING**
19 **HOME LOANS.**

20 (C) **PROVIDE LOANS AND GRANTS TO LOW INCOME INDIVIDUALS SEEKING**
21 **TO AVOID FORECLOSURE.**

22 (3) **THE COMMISSIONER SHALL ESTABLISH ELIGIBILITY STANDARDS FOR**
23 **THE AWARD OF GRANTS UNDER SUBSECTION (2).**

24 (4) **THE STATE TREASURER MAY RECEIVE MONEY FROM ANY SOURCE FOR**
25 **DEPOSIT INTO THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND CREATED**
26 **IN SUBSECTION (2). THE STATE TREASURER SHALL DIRECT THE INVESTMENT**
27 **OF THE FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST**

1 AND EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE
2 OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO
3 THE GENERAL FUND.