

SENATE BILL No. 465

April 23, 2009, Introduced by Senators SANBORN, RICHARDVILLE, STAMAS, OLSHOVE, CHERRY, ANDERSON, HARDIMAN, PAPPAGEORGE, PATTERSON and KAHN and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1988 PA 161, entitled
"Consumer financial services act,"
by amending section 9 (MCL 487.2059), as amended by 1999 PA 275.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) Except as otherwise provided ~~by~~ **IN** subsection (2),
2 a licensee under this act shall comply with all of the requirements
3 of the financial licensing acts.

4 (2) A licensee under this act ~~shall be~~ **IS** exempt from
5 provisions of the financial licensing acts regulating **ANY OF** the
6 following:

7 (a) Application procedures.

8 (b) Licensing procedures.

9 (c) Payment of fees by the licensee.

(d) Filing of surety bonds.

(e) Denial, suspension, or revocation of a license.

(f) Retention of records.

(g) Filing of reports.

(3) A licensee may purchase a contract made in compliance with the retail installment sales act, 1966 PA 224, MCL 445.851 to 445.873, or the home improvement finance act, 1965 PA 332, MCL 445.1101 to 445.1431.

(4) A licensee may have 1 or more loans outstanding to 1 borrower, but no single loan transaction shall violate the financial licensing act which regulates the type of loan transaction.

(5) A LICENSEE ACTING AS A MORTGAGE BROKER OR MORTGAGE LENDER SHALL NOT EMPLOY OR ENGAGE AN INDIVIDUAL AS A LOAN OFFICER TO ORIGINATE MORTGAGE LOANS UNLESS HE OR SHE IS A LICENSED LOAN OFFICER. AS USED IN THIS SUBSECTION, "LICENSED LOAN OFFICER", "LOAN OFFICER", "ORIGINATE", "MORTGAGE BROKER", AND "MORTGAGE LENDER" MEAN THOSE TERMS AS DEFINED IN SECTION 1A OF THE MORTGAGE BROKERS, LENDERS, AND SERVICERS LICENSING ACT, 1987 PA 173, MCL 445.1651A.

(6) A LICENSEE ACTING AS A BROKER OR LENDER SHALL NOT EMPLOY OR ENGAGE AN INDIVIDUAL AS A SECONDARY MORTGAGE LOAN OFFICER TO ORIGINATE SECONDARY MORTGAGE LOANS UNLESS HE OR SHE IS A LICENSED SECONDARY MORTGAGE LOAN OFFICER. AS USED IN THIS SUBSECTION, "BROKER", "LENDER", "LICENSED SECONDARY MORTGAGE LOAN OFFICER", "ORIGINATE", AND "SECONDARY MORTGAGE LOAN OFFICER" MEAN THOSE TERMS AS DEFINED IN SECTION 1 OF THE SECONDARY MORTGAGE LOAN ACT, 1981 PA 125, MCL 493.51.

1 (7) AS USED IN THIS SECTION, "EMPLOY" MEANS AN ENGAGEMENT OF
2 AN INDIVIDUAL BY A LICENSEE THAT MEETS BOTH OF THE FOLLOWING:

3 (A) IS ACKNOWLEDGED BY THE LICENSEE AND INDIVIDUAL AS AN
4 EMPLOYMENT RELATIONSHIP.

5 (B) THE LICENSEE TREATS THE INDIVIDUAL AS AN EMPLOYEE FOR
6 COMPLIANCE WITH FEDERAL INCOME TAX LAWS.

7 Enacting section 1. This amendatory act takes effect January
8 1, 2011.

9 Enacting section 2. This amendatory act does not take effect
10 unless Senate Bill No. 462

11 of the 95th Legislature is enacted into law.