

SENATE BILL No. 1284

September 19, 2012, Introduced by Senators NOFS, GREEN and BOOHER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 2002 PA 660, entitled
"Consumer mortgage protection act,"
by amending section 2 (MCL 445.1632).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Commissioner" means the commissioner of the office of
3 financial and insurance ~~services~~ **REGULATION** of the department of
4 ~~consumer and industry services~~ **LICENSING AND REGULATORY AFFAIRS.**

5 (b) "Depository institution" means a bank, savings and loan
6 association, savings bank, or a credit union chartered under state
7 or federal law.

8 (c) "Home improvement installment contract" means an agreement
9 **CONSISTING** of 1 or more documents ~~covering~~ **THAT COVERS** the sale of
10 goods or furnishing of services to a buyer for improvements to the
11 buyer's principal dwelling, **IF THAT DWELLING IS** located in this

1 state **AND** used for occupancy of 4 or fewer families, under which
 2 the buyer promises to pay in installments all or any part of the
 3 price of the goods or services.

4 (d) "Mortgage loan" means a loan or home improvement
 5 installment contract secured by a first or subordinate mortgage or
 6 any other form of lien or a land contract ~~covering~~ **THAT COVERS** real
 7 property located in this state **THAT IS** used as the borrower's
 8 principal dwelling and **IS** designed for occupancy by 4 or fewer
 9 families. Mortgage loan does not include any of the following:

10 (i) ~~Loans~~ **A LOAN TRANSACTION** in which the proceeds are used to
 11 acquire the **BORROWER'S PRINCIPAL** dwelling.

12 (ii) ~~Reverse mortgage transactions~~ **A REVERSE-MORTGAGE**
 13 **TRANSACTION.**

14 (iii) An open-end credit plan. ~~being~~ **AS USED IN THIS**
 15 **SUBPARAGRAPH, "OPEN-END CREDIT PLAN" MEANS** a loan in which the
 16 lender reasonably contemplates repeated advances.

17 (iv) **A LOAN TRANSACTION IN WHICH THE PROCEEDS ARE NOT USED**
 18 **PRIMARILY FOR A PERSONAL, FAMILY, OR HOUSEHOLD PURPOSE.**

19 (e) "Person" means an individual, corporation, **LIMITED**
 20 **LIABILITY COMPANY**, partnership, association, governmental entity,
 21 or any other legal entity.

22 (f) "Reverse-mortgage" means a nonrecourse loan under which
 23 both of the following apply:

24 (i) A mortgage or other form of lien securing 1 or more
 25 advances is created in the borrower's principal dwelling.

26 (ii) The principal, interest, or shared appreciation or equity
 27 is payable only after the borrower dies, the dwelling is

1 transferred, or the borrower ceases to occupy the dwelling as a
2 principal dwelling.

3 (g) "Regulated lender" means a depository institution; ~~or a~~
4 licensee or a registrant under the consumer financial services act,
5 1988 PA 161, MCL 487.2051 to 487.2072, 1984 PA 379, MCL 493.101 to
6 493.114, the secondary mortgage loan act, 1981 PA 125, MCL 493.51
7 to 493.81, or the mortgage brokers, lenders, and servicers
8 licensing act, 1987 PA 173, MCL 445.1651 to 445.1684; ~~and OR~~ a
9 seller under the home improvement finance act, 1965 PA 332, MCL
10 445.1101 to 445.1431.

11 (h) "State and federal laws" means, individually and
12 collectively, 1 or more of the laws or regulations of this state or
13 the federal government which regulate or are applicable to a
14 mortgage loan or a person ~~when~~ **THAT IS** brokering, making,
15 servicing, or collecting a mortgage loan, including, without
16 limitation, the ~~federal truth in lending act, title I of the~~
17 ~~consumer credit protection act, Public Law 90-321, 15 U.S.C. USC~~
18 ~~1601 to 1608, 1610 to 1613, 1615, 1631 to 1635, 1637 to 1649, and~~
19 ~~1661 to 1667f, real estate settlement procedures act of 1974,~~
20 Public Law 93-533, 88 Stat. 1724, equal credit opportunity act,
21 ~~title VII of the consumer credit protection act, Public Law 90-321,~~
22 ~~15 U.S.C. USC~~ 1691 to 1691f, fair housing act, title VIII of the
23 civil rights act of 1968, Public Law 90-284, 82 Stat. 81, fair
24 credit ~~report~~ **REPORTING** act, ~~title VI of the consumer credit~~
25 ~~protection act, Public Law 90-321, 15 U.S.C. USC~~ 1681 to ~~1681v,~~
26 **1681X**, the homeowners protection act of 1998, Public Law 105-216,
27 112 Stat. 897, the fair debt collection practices act, ~~title VIII~~

1 ~~of the consumer credit protection act, Public Law 90-321, 15 U.S.C.~~
2 **USC** 1601nt and 1692 to 1692o, consumer financial services act, 1988
3 PA 161, MCL 487.2051 to 487.2072, mortgage brokers, lenders, and
4 servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684, the
5 secondary mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81,
6 1977 PA 135, MCL 445.1601 to 445.1614, and home improvement finance
7 act, 1965 PA 332, MCL 445.1101 to ~~445.1422.~~**445.1431.**