

# Legislative Analysis



## **MORTGAGE ADVISORY BOARD MEMBERSHIP: REVISE TO REFLECT ASSOCIATION MERGER**

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### **Senate Bill 19**

*(Enacted as Public Act 14 of 2013)*

**Sponsor: Sen. Darwin L. Boohar**

**House Committee: Financial Services**

**Senate Committee: Banking and Financial Institutions**

**Complete to 2-22-13**

### **A SUMMARY OF SENATE BILL 19 AS PASSED BY THE SENATE 2-20-13**

The bill would make a technical change in the appointments of members to the seven-member Mortgage Industry Advisory Board created in the Mortgage Brokers, Lenders, and Servicers Licensing Act (MCL 445.1683).

Currently two members are appointed by the Commissioner of the Office of Financial and Insurance Regulation from a list of at least three nominees provided by the Michigan Mortgage Brokers Association, and two are appointed from a list of at least three nominees provided by the Michigan Mortgage Lenders Association.

Reportedly, these two associations have merged under the Lenders Association name, and so Senate Bill 19 would require instead that four members be appointed by the commissioner from a list of at least six nominees provided by the Michigan Mortgage Lenders Association. However, at least three of those nominees would have to be associated with mortgage broker services.

Specifically, these four individuals would have to be employees of, directors of, or have at least a 25% ownership interest in a licensee or registrant under the act. Licensees and registrants include mortgage brokers, lenders, and servicers; and registrants also include real estate brokers and salespeople who act in those mortgage-related capacities.

The other three members of the advisory board are: (1) two individuals who are connected with business entities that provide services to or purchase services from licensees or registrants, and (2) one employee connected with a trade association representing brokers, lenders, or servicers. (The association can recommend candidates for this position to the commissioner.)

### **FISCAL IMPACT:**

The bill would have no fiscal impact.

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