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BILL



ANALYSIS

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Senate Bill 19 (as introduced 1-16-13)
Sponsor: Senator Darwin L. Booher
Committee: Banking and Financial Institutions

Date Completed: 2-6-13

CONTENT

The bill would amend the Mortgage Brokers, Lenders, and Servicers Licensing Act to revise the membership of the Mortgage Industry Advisory Board, with respect to the members nominated by the Michigan Mortgage Brokers Association or the Michigan Mortgage Lenders Association.

The Board consists of seven members appointed by the Commissioner of the Office of Financial and Insurance Regulation. Two members must be individuals who are employees or directors of, or have at least a 25% ownership interest in a licensee or registrant, selected by the Commissioner from a list of at least three nominees provided by the Michigan Mortgage Brokers Association. The bill would delete that requirement.

Two members must be individuals who are employees or directors of, or have at least a 25% ownership interest in a licensee or registrant, selected by the Commissioner from a list of at least three nominees provided by the Michigan Mortgage Lenders Association. The bill instead would require four members to be individuals who are employees or directors of, or have at least a 25% ownership interest in a licensee or registrant, selected by the Commissioner from a list of at least six nominees provided by the Mortgage Lenders Association. Three of the nominees would have to employees or directors of, or have at least a 25% ownership interest in, a person who held a license or registration under the Act to provide services as a mortgage broker.

(The Board also includes one member who is an employee or director of, or has at least a 25% ownership interest in a licensee or registrant that is a member of any trade association operating in Michigan that represents mortgage brokers, lenders, or servicers; the trade associations may recommend candidates for this position. The remaining two members must be individuals who are employees or directors of, or have at least a 25% ownership interest in business entities that provide services to or purchase services from licensees or registrants.

Licensees and registrants under the Act include mortgage brokers, mortgage lenders, and mortgage servicers. Registrants also include licensed real estate brokers or salespeople who act as mortgage brokers, lenders, or servicers, under certain circumstances.

The Board is required to communicate to the Commissioner issues of concern to the residential mortgage industry, as well as review and make recommendations to the Commissioner on rules, procedures for maintaining confidentiality, and other issues referred to the Board by the Commissioner.)

MCL 445.1683

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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