

Act No. 421
Public Acts of 2014
Approved by the Governor
December 27, 2014
Filed with the Secretary of State
December 30, 2014
EFFECTIVE DATE: December 30, 2014

STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014

Introduced by Senator Booher

ENROLLED SENATE BILL No. 1087

AN ACT to amend 2009 PA 75, entitled “An act to provide for the licensing of mortgage loan originators; to regulate the business practices of mortgage loan originators; to establish certain obligations of employees and principals of mortgage loan originators; to prescribe the powers and duties of certain state agencies and officials; and to provide remedies and prescribe penalties,” by amending section 5 (MCL 493.135), as amended by 2012 PA 150.

The People of the State of Michigan enact:

Sec. 5. (1) Unless specifically exempted under subsection (2), beginning July 31, 2010, an individual shall not engage in the business of a mortgage loan originator with respect to any dwelling located in this state without first obtaining and maintaining annually a license under this act. Each licensed mortgage loan originator must register with and maintain a valid unique identifier issued by the nationwide mortgage licensing system and registry.

(2) Each of the following is exempt from this act:

- (a) A registered mortgage loan originator, when acting for an entity described in section 3(s)(i)(A), (B), or (C).
- (b) An individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of that individual.
- (c) An individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as his or her residence.

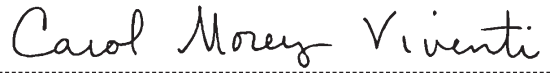
(d) A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney’s representation of the client, unless the attorney is compensated by a lender, mortgage broker, or other mortgage loan originator or by any agent of a lender, mortgage broker, or other mortgage loan originator.

(e) An individual who acts as a mortgage servicer, or who is an employee of a mortgage servicer, who offers or negotiates the terms of residential mortgage loans for the purpose of renegotiating, modifying, replacing, or subordinating the principal of existing residential mortgage loans of which the borrowers are behind in making their payments, are in default, or have a reasonable likelihood of falling behind in making payments or defaulting. However, the exemption from this act under this subdivision does not apply to an individual who acts as a mortgage servicer, or is an employee of a mortgage servicer, who offers or negotiates the terms of a residential mortgage loan transaction that constitutes a refinancing under 12 CFR 1026.20(a) or that obligates a different consumer to pay the existing residential mortgage loan.

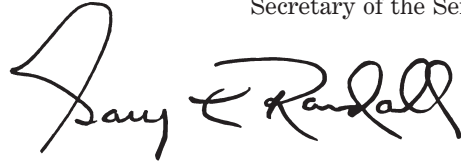
(3) A loan processor or underwriter who is an independent contractor may not engage in the activities of a loan processor or underwriter unless that independent contractor loan processor or underwriter obtains and maintains a license under subsection (1). Each independent contractor loan processor or underwriter licensed as a mortgage loan originator must have and maintain a valid unique identifier issued by the nationwide mortgage licensing system and registry.

(4) The commissioner may establish licensing rules and interim procedures for licensing and acceptance of applications. For previously registered or licensed individuals, the commissioner may establish expedited review and licensing procedures.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor