



Telephone: (517) 373-5383

Fax: (517) 373-1986

House Bill 5084 (Substitute H-2 as reported without amendment)

Sponsor: Representative Diana Farrington House Committee: Financial Services

Wavs and Means

Senate Committee: Insurance and Banking

CONTENT

The bill would amend the Mortgage Loan Originator Licensing Act to grant certain individuals temporary authority to act as a mortgage loan originator without first obtaining a license, and specify the period of time for which the temporary authority would apply.

Under the bill, an individual who was a registered mortgage loan originator, upon being employed by an entity that was not a depository institution or its subsidiary that was owned and controlled by that depository institution and was regulated by a Federal banking agency or an institution regulated by the Farm Credit Administration would have temporary authority to act as a mortgage loan originator for the period described below without first obtaining a license under the Act if certain circumstances prescribed in the bill applied.

The period of temporary authority would begin on the date on which the individual submitted the information required for licensure and the annual operating fee, and had met the applicable surety bond requirement, and would end on the earliest of the following dates:

- -- The date on which the individual withdrew the application submitted for licensure.
- -- The date on which the Director of the Department of Insurance and Financial Services denied, or issued a notice of intent to deny, the application.
- -- The date on which the Director approved the application.
- -- The date that was 120 days after the date on which the individual submitted the application, if the application were listed on the nationwide mortgage licensing system and registry as incomplete.

An individual who had temporary authority to act as a mortgage loan originator in Michigan and a person employing an individual who had that temporary authority would be subject to the applicable Michigan law to the same extent as if the individual were a licensed mortgage loan originator.

The bill would take effect on November 24, 2019.

FISCAL IMPACT

MCL 439.133 et al.

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

Date Completed: 11-6-19 Fiscal Analyst: Elizabeth Raczkowski

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Bill Analysis @ www.senate.michigan.gov/sfa

Legislative Analyst: Stephen Jackson

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.