

**MORTGAGE LENDING PRACTICES (EXCERPT)**  
**Act 135 of 1977**

**445.1609 Voluntary mortgage review boards; mandatory mortgage review boards.**

Sec. 9. (1) The commissioner shall encourage credit granting institutions to cooperate with local citizen's groups and governing bodies of local units of government in the formation and operation of voluntary mortgage review boards. The purpose of voluntary local mortgage review boards is to review complaints of rejected loan applicants, attempt to place loans for rejected applicants, or any other purpose to which the persons forming the mortgage review board may agree.

(2) The commissioner may assist loan applicants and credit granting institutions in the placement of loans.

(3) If a mortgage review board is unable to successfully place the loan for the rejected applicant, the board shall notify the applicant in writing of the applicant's right to file a complaint with the commissioner or other governmental agency, or both, that has regulatory authority over the institution that denied the loan.

(4) Voluntary mortgage review boards shall not be subject to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws, and the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(5) The material furnished to the board by the loan applicant or by the financial institution at the applicant's request and other material relating to an applicant shall be kept confidential. Before a financial institution may release records and documents pertaining to the loan application to the mortgage review board, the applicant shall sign a release form. A financial institution may not release a credit report.

(6) A mortgage review board shall maintain minutes which reflect the number of cases appealed to the board, the disposition of each case, the persons present at each proceeding, and if closed to the public, the party requesting the closing.

(7) Meetings of mandatory mortgage review boards shall be open to the public unless the rejected applicant or the disapproving financial institution requests a closed session to discuss material concerning the rejected application. In cases of closed meetings, only members of the mortgage review board, the disapproving financial institution or the institution's representatives, or both, and the rejected applicant or the applicant's representatives, or both, shall attend.

**History:** 1977, Act 135, Eff. July 1, 1978;—Am. 1993, Act 43, Imd. Eff. May 27, 1993.