

MORTGAGE LOAN ORIGINATOR LICENSING ACT (EXCERPT)
Act 75 of 2009

493.135 Engaging in business of mortgage loan originator; license required; exemptions; independent contractor loan processor or underwriter; establishment of licensing rules and interim procedures.

Sec. 5. (1) Unless specifically exempted under subsection (2), beginning July 31, 2010, and except as provided in sections 5a and 5b, 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 shall 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(v)(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. The exemption provided 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 shall have and maintain a valid unique identifier issued by the nationwide mortgage licensing system and registry.

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

History: 2009, Act 75, Eff. July 31, 2009;—Am. 2012, Act 150, Imd. Eff. May 30, 2012;—Am. 2014, Act 421, Imd. Eff. Dec. 30, 2014;—Am. 2019, Act 141, Imd. Eff. Dec. 5, 2019.