



**House
Legislative
Analysis
Section**

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MORTGAGE SERVICERS ACT: GEN'L AMENDM'TS

JUN 20 1990

House Bill 5548

**Sponsor: Rep. Raymond M. Murphy
Committee: Corporations & Finance**

Complete to 5-21-90

A SUMMARY OF HOUSE BILL 5548 AS INTRODUCED 3-1-90

The Mortgage Brokers, Lenders, and Servicers Licensing Act regulates certain persons who make, offer, or service mortgage loans. The act currently requires a licensee or license applicant to pay a \$300 registration fee annually and requires licensees to meet a specific minimum net worth for licensure. The bill would amend the act to require a licensee or registrant to pay to the Financial Institutions Bureau commissioner (the administrator of the act) a \$200 fee to amend a license or registration certificate that resulted in an increase in the required net worth, bond, or other proof of financial responsibility maintained under the act. A \$50 fee would have to be paid to the commissioner for all other amendments to the license or registration certificate.

The act currently prohibits a licensee from taking part in certain activities or from failing to perform certain duties in servicing mortgage loans, and specifies that a registrant is not subject to annual examination by the FIB commissioner nor is required to file certain annual reports. The bill would also make it a violation if a licensee accepted a fee to guarantee a specified rate of interest on a mortgage loan unless the guarantee was in writing. Further, the bill would add that a person who was licensed under the act as a mortgage broker, lender, or servicer who was also registered to make regulatory loans (under the Regulatory Loan Act) or secondary mortgage loans (under Public Act 125 of 1981) would be subject to the examination provisions of those acts.

Finally, the act now exempts subsidiaries or affiliates of depository financial institutions (generally, state regulated or nationally chartered banks, savings and loans, and credit unions), or of depository institution holding companies, from certain provisions regarding transferring or assigning a mortgage loan. The bill would specify that the exemption would apply when the depository financial institution had a principal office located in the state.

MCL 445.1651a, et al.

House Bill 5548 (5-21-90)