

Act No. 66  
Public Act of 1989  
June 27, 1989  
Filed by the Secretary of State  
June 27, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Reps. Stacey, Bennett, Stopczynski, Wartner, Middaugh, Dunaskiss, Giese, Randall, Ouwinga, Crandall, Gnodtke, Willis Bullard, DeLange, Krause, Bankes, Niederstadt, Clack, Alley, Griffin, Murphy, Profit and Bartnik

# **ENROLLED HOUSE BILL No. 4470**

AN ACT to amend the title and section 1 of Act No. 125 of the Public Acts of 1981, entitled as amended "An act to define and regulate secondary mortgage loans; to prescribe powers and duties of the financial institutions bureau and certain state agencies; to provide for the establishment of a financial institutions bureau operations fund; to provide for the promulgation of rules; and to provide for civil fines and penalties," being section 493.51 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. The title and section 1 of Act No. 125 of the Public Acts of 1981, being section 493.51 of the Michigan Compiled Laws, is amended to read as follows:

## **TITLE**

An act to define and regulate secondary mortgage loans and other unsecured loans; to prescribe powers and duties of the financial institutions bureau and certain state agencies; to provide for the establishment of a financial institutions bureau operations fund; to provide for the promulgation of rules; and to provide for civil fines and penalties.

Sec. 1. As used in this act:

(a) "Commissioner" means the commissioner of the financial institutions bureau of the department of commerce and authorized representatives of the commissioner.

(b) "Licensee" means a person licensed under this act.

(c) "Person" means an individual, corporation, partnership, or a group of individuals however organized, but does not include a state or national bank, a state or federal savings and loan association, insurance company, or other financial institution subject to another law of this state or of the United States regulating the power of the financial institution to engage in secondary mortgage loan transactions.

(d) "Secondary mortgage loan" means a loan of \$3,000.00 or more made to an individual, corporation, or partnership for personal, family, or household purposes not to be repaid in 90 days or less, which is secured by a mortgage upon an interest in real property used as a dwelling if the property is subject to the lien of 1 or more prior mortgages, or the purchase of an interest in an existing mortgage is made to secure the loan. Notwithstanding the place of execution, nominal or real, of a secondary mortgage loan, if the real property which secures the loan is located in this state, the secondary mortgage loan is subject to this act and all other applicable laws of this state. A secondary mortgage loan may include an unsecured loan as defined in subdivision (e).

(e) "Unsecured loan" means a loan of \$3,000.00 or more made by a licensee to a person for personal, family, or household purposes not to be repaid in 90 days or less and not secured by any collateral. An unsecured loan is subject to this act except for provisions specific to the taking, recording, or releasing of a junior lien on real property.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.