

HOUSE BILL No. 5633

March 26, 1990, Introduced by Reps. Leland, Clack, Keith, DeMars, Spaniola, Bennett, Law, Saunders, Hart, Hood, Hickner, Crandall, London, Griffin, Perry Bullard, Webb, Palamara and Hunter and referred to the Committee on Consumers.

A bill to amend section 22 of Act No. 173 of the Public Acts of 1987, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
being section 445.1672 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 22 of Act No. 173 of the Public Acts of
2 1987, being section 445.1672 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 22. ~~It shall be a violation of the act if a~~ A
5 licensee or registrant SHALL NOT DO 1 OR MORE OF THE FOLLOWING:

6 (a) ~~Does not conduct the business in accordance with law,~~
7 ~~or has violated~~ VIOLATE any ~~other~~ provision of this act, ~~or~~
8 a rule promulgated UNDER THIS ACT, or order issued under this
9 act.

1 (b) ~~Engages~~ ENGAGE in fraud, deceit, or material
2 misrepresentation in connection with any transaction governed by
3 this act.

4 (c) Intentionally, or due to gross or wanton negligence,
5 repeatedly ~~fails~~ FAIL to provide borrowers WITH material dis-
6 closures of information as required by state or federal law.

7 (d) ~~Suppresses or withholds~~ SUPPRESS OR WITHHOLD from the
8 commissioner any information which the licensee or registrant
9 possesses and which, if submitted, would have made the licensee
10 or registrant ineligible for licensing or registration under this
11 act.

12 (e) ~~Violates~~ VIOLATE any provision of Act No. 125 of the
13 Public Acts of 1966, being sections 565.161 to 565.163 of the
14 Michigan Compiled Laws. ~~, regulating the handling of mortgage~~
15 ~~escrow accounts by mortgagees.~~

16 (f) ~~Fails~~ FAIL to place in escrow any money, funds, depos-
17 its, checks, drafts, or other negotiable instruments entrusted to
18 the person as a mortgage broker, mortgage lender, or mortgage
19 servicer, in a manner approved by the commissioner, or ~~fails~~
20 FAIL to deposit and retain the funds in a trust or escrow
21 account, maintained by the person, with a DEPOSITORY financial
22 institution, the deposits of which are insured by ~~the~~ A federal
23 ~~deposit insurance corporation, the federal savings and loan~~
24 ~~insurance corporation, or the national credit union share insur-~~
25 ~~ance fund~~ AGENCY, until the proper disbursement.

26 (g) ~~Refuses~~ REFUSE to permit an examination by the
27 commissioner of the books and affairs of the licensee or

1 registrant, or ~~has refused or failed~~ REFUSE OR FAIL, within a
2 reasonable time, to furnish any information or make any report
3 that may be required by the commissioner pursuant to this act.

4 (h) ~~Is convicted of~~ BE FOUND GUILTY OF ANY ACT OR OMISSION
5 WHICH IS a felony ~~or any~~ WHICH IS A misdemeanor ~~of which~~
6 WHERE an essential element OF THAT MISDEMEANOR is fraud.

7 (i) ~~Refuses or fails~~ REFUSE OR FAIL to pay, within a rea-
8 sonable time, those expenses assessed ~~to~~ AGAINST the licensee
9 or registrant pursuant to this act.

10 (j) ~~Fails~~ FAIL to make restitution after having been
11 ordered to do so by the commissioner or an administrative agency,
12 or ~~fails~~ FAIL to make restitution or pay damages to persons
13 injured by the licensee's or registrant's business transactions
14 after having been ordered to do so by a court.

15 (k) ~~Fails~~ FAIL to make a mortgage loan pursuant to, and in
16 accordance with, a written commitment to make a mortgage loan
17 issued to, and accepted by, a person when the person has timely
18 and completely satisfied all the conditions of the commitment
19 prior to the expiration of the commitment.

20 (l) RECEIVE FROM OR PAY TO A PERSON, DIRECTLY OR INDIRECTLY,
21 ANY FEE, COMMISSION, OR OTHER THING OF VALUE FOR ATTEMPTING TO
22 OBTAIN, OBTAINING, FINDING, PLACING, OR NEGOTIATING A MORTGAGE
23 LOAN OR OTHERWISE ACTING AS A MORTGAGE BROKER WHEN THE LICENSEE
24 OR REGISTRANT, OR ITS AFFILIATE EMPLOYEE OR AGENT, HAS ACTED AS A
25 REAL ESTATE SALESPERSON OR REAL ESTATE BROKER IN CONNECTION WITH
26 THE SALE, PURCHASE, OR LEASE OF THE REAL PROPERTY WHICH SECURES
27 REPAYMENT OF THE MORTGAGE LOAN.