

# HOUSE BILL No. 6135

September 17, 1998, Introduced by Reps. Brewer, Griffin, Frank, Leland and Murphy and referred to the Committee on Commerce.

A bill to amend 1987 PA 173, entitled  
"Mortgage brokers, lenders, and servicers licensing act,"  
(MCL 445.1651 to 445.1684) by adding section 22b.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1** SEC. 22B. (1) A LICENSEE SHALL NOT REQUIRE AS A CONDITION  
**2** OF APPROVING A REFINANCING MORTGAGE LOAN THAT THE MORTGAGOR  
**3** OBTAIN NEW TITLE INSURANCE IF TITLE INSURANCE WAS ISSUED WITH THE  
**4** MORTGAGE LOAN THAT IS BEING REFINANCED.

**5** (2) AS USED IN THIS SECTION:

**6** (A) "REFINANCING MORTGAGE LOAN" MEANS A LOAN THAT IS A REFI-  
**7** NANCING OF AN EXISTING MORTGAGE LOAN ON REAL PROPERTY DESIGNED  
**8** FOR OCCUPANCY BY 4 OR FEWER FAMILIES.

**9** (B) "TITLE INSURANCE" MEANS THE INSURING, GUARANTEEING, OR  
**10** INDEMNIFYING OF DESIGNATED OWNERS OF REAL ESTATE OR ANY INTEREST  
**11** IN REAL ESTATE AGAINST LOSS OR DAMAGE THAT MAY RESULT BECAUSE THE

1 TITLE IS VESTED IN A MANNER OTHERWISE THAN AS STATED IN THE TITLE  
2 INSURANCE POLICY, BECAUSE THE TITLE IS UNMARKETABLE, OR BECAUSE  
3 THE TITLE IS SUBJECT TO LIENS, ENCUMBRANCES, OR OTHER MATTERS  
4 ADVERSELY AFFECTING THE RIGHTS OF USE, ENJOYMENT, OR DISPOSITION  
5 OF THE REAL ESTATE, AND NOT EXCEPTED IN THE POLICY, ALL IN  
6 ACCORDANCE WITH THE TERMS OF A TITLE INSURANCE POLICY APPROVED AS  
7 TO SUBSTANCE AND FORM, OR DOING ANYTHING EQUIVALENT IN SUBSTANCE  
8 TO ANY OF THE FOREGOING IN A MANNER DESIGNED TO EVADE THE PROVI-  
9 SIONS OF THIS CHAPTER.