

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 668 (Substitute S-2 as reported)
Sponsor: Senator Bill Bullard, Jr.
Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Consumer Financial Services Act, which regulates certain consumer financial services provided by nondepository financial services entities. The bill would do the following:

- Change the annual licensing fee to an operating fee based upon the volume of business activity conducted.
- Eliminate a current provision that prohibits licensees from engaging in the business of a real estate broker or salesperson.
- Provide that if an application for a license were not approved, the Financial Institutions Bureau (FIB) would have to refund the prepaid annual operating fee. (The application fee would remain nonrefundable.)
- Eliminate a current provision that prohibits a licensee from operating a branch office without obtaining an additional license for each branch.
- Allow the transfer of licenses, but prohibit the transfer or assignment of a license without the prior consent of the FIB Commissioner.
- Revise the FIB Commissioner's enforcement powers, including his or her authority to suspend, revoke, or refuse to renew a license if a licensee fails to comply with various requirements.
- Establish specific procedures regarding actions the Commissioner could take against a licensee in the event of threat of financial loss or threat to the public welfare; and provide for administrative hearings and judicial review.
- Allow summary suspension of a license under certain conditions.
- Revise provisions regarding the appointment of a conservator.
- Revise the Act's record-keeping and reporting requirements.

MCL 487.2052 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 11-9-99

Fiscal Analyst: M. Tyszkiewicz