

Financial institutions; generally; consumer financial services act; revise.

FINANCIAL INSTITUTIONS: Generally

A bill to amend 1988 PA 161, entitled "Consumer financial services act," by amending sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, and 19 (MCL 487.2052, 487.2053, 487.2054, 487.2055, 487.2056, 487.2057, 487.2058, 487.2059, 487.2060, 487.2061, 487.2062, 487.2064, 487.2065, 487.2066, 487.2067, and 487.2069), sections 5, 7, 8, 11, 12, and 15 as amended by 1992 PA 76, and by adding sections 10a, 10b, 10c, 10d, 10e, 10f, 10g, 16a, and 16b; and to repeal acts and parts of acts.

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

1       Sec. 2. As used in this act:

2       (A) "APPLICANT" MEANS A PERSON THAT HAS APPLIED TO THE COM-  
3 MISSIONER TO BE LICENSED UNDER THIS ACT.

4       (B) ~~(a)~~ "Bureau" means the financial institutions bureau  
5 of the department of ~~commerce~~ CONSUMER AND INDUSTRY SERVICES.

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1 (C) "BUSINESS ACTIVITY" MEANS ANY ACTIVITY REGULATED BY ANY  
2 OF THE FINANCIAL LICENSING ACTS GOVERNED BY THIS ACT.

3 (D) ~~(b)~~ "Class I license" means a license issued under  
4 this act ~~which~~ THAT authorizes the licensee to engage in all of  
5 the activities permitted under the regulatory loan act of 1963,  
6 ~~Act No. 21 of the Public Acts of 1939, being sections 493.1 to~~  
7 ~~493.26 of the Michigan Compiled Laws; Act No. 125 of the Public~~  
8 ~~Acts of 1981, being sections 493.51 to 493.81 of the Michigan~~  
9 ~~Compiled Laws; the motor vehicle sales finance act, Act No. 27 of~~  
10 ~~the Public Acts of the Extra Session of 1950, being sections~~  
11 ~~492.101 to 492.141 of the Michigan Compiled Laws; Act No. 379 of~~  
12 ~~the Public Acts of 1984, being sections 493.101 to 493.114 of the~~  
13 ~~Michigan Compiled Laws; the sale of checks act, Act No. 136 of~~  
14 ~~the Public Acts of 1960, being sections 487.901 to 487.916 of the~~  
15 ~~Michigan Compiled Laws; or the mortgage brokers, lenders, and~~  
16 ~~servicers licensing act, Act No. 173 of the Public Acts of 1987,~~  
17 ~~being sections 445.1651 to 445.1683 of the Michigan Compiled~~  
18 ~~Laws~~ 1939 PA 21, MCL 493.1 TO 493.26, THE SECONDARY MORTGAGE  
19 LOAN ACT, 1981 PA 125, MCL 493.51 TO 493.81, THE MOTOR VEHICLE  
20 SALES FINANCE ACT, 1950 (EX SESS) PA 27, MCL 492.101 TO 492.141,  
21 1984 PA 379, MCL 493.101 TO 493.114, THE SALE OF CHECKS ACT, 1960  
22 PA 136, MCL 487.901 TO 487.916, OR THE MORTGAGE BROKERS, LENDERS,  
23 AND SERVICERS LICENSING ACT, 1987 PA 173, MCL 445.1651 TO  
24 445.1684.

25 (E) ~~(c)~~ "Class II license" means a license issued under  
26 this act ~~which~~ THAT authorizes all of the activities permitted  
27 under a class I license except for activities permitted under the

1 sale of checks act, ~~Act No. 136 of the Public Acts of 1960, or~~  
2 ~~the mortgage brokers, lenders, and servicers licensing act, Act~~  
3 ~~No. 173 of the Public Acts of 1987~~ 1960 PA 136, MCL 487.901 TO  
4 487.916, OR THE MORTGAGE BROKERS, LENDERS, AND SERVICERS LICENS-  
5 ING ACT, 1987 PA 173, MCL 445.1651 TO 445.1684.

6 (F) ~~(d)~~ "Commissioner" means the commissioner of the  
7 financial institutions bureau ~~of the department of commerce~~ or  
8 an authorized representative of the commissioner.

9 (G) "DEPOSITORY FINANCIAL INSTITUTION" MEANS A BANK, SAVINGS  
10 AND LOAN ASSOCIATION, SAVINGS BANK, OR CREDIT UNION ORGANIZED  
11 UNDER THE LAWS OF THIS STATE, ANOTHER STATE, THE DISTRICT OF  
12 COLUMBIA, THE UNITED STATES, OR A TERRITORY OR PROTECTORATE OF  
13 THE UNITED STATES, WHOSE DEPOSITS ARE INSURED BY AN AGENCY OF THE  
14 FEDERAL GOVERNMENT.

15 (H) ~~(e)~~ "Financial licensing acts" means the acts listed  
16 in subdivision ~~(b)~~ (D).

17 (I) "LICENSEE" MEANS A PERSON THAT IS LICENSED UNDER THIS  
18 ACT.

19 (J) "LOAN SERVICING ACTIVITIES" MEANS THE COLLECTION OR  
20 REMITTANCE FOR A LENDER, NOTEOWNER, NOTEHOLDER, OR THE LICENSEE'S  
21 OWN ACCOUNT OF 4 OR MORE INSTALLMENT PAYMENTS OF THE PRINCIPAL,  
22 INTEREST, OR AN AMOUNT PLACED IN ESCROW UNDER A MORTGAGE SERVIC-  
23 ING AGREEMENT OR A MORTGAGE LOAN SUBJECT TO THE MORTGAGE BROKERS,  
24 LENDERS, AND SERVICERS LICENSING ACT, 1987 PA 173, MCL 445.1651  
25 TO 445.1684, OR A MORTGAGE SERVICING AGREEMENT OR SECONDARY MORT-  
26 GAGE LOAN SUBJECT TO THE SECONDARY MORTGAGE LOAN ACT, 1981 PA  
27 125, MCL 493.51 TO 493.81, OR AN AGREEMENT WITH THE MORTGAGOR.

1           (K) ~~(f)~~ "Person" means an individual, corporation,  
2 partnership, association, LIMITED LIABILITY COMPANY, or ANY other  
3 legal entity.

4           Sec. 3. (1) A person shall not engage in ~~an~~ A BUSINESS  
5 activity ~~regulated by the financial licensing acts, or this~~  
6 ~~act,~~ unless the person is licensed ~~pursuant to~~ UNDER the  
7 appropriate financial licensing act, or by this act. ~~Except as~~  
8 ~~otherwise provided in this act, this act shall~~

9           (2) THIS ACT APPLIES TO A PERSON WHO ENGAGES IN ANY BUSINESS  
10 ACTIVITY IF THE PERSON IS NOT LICENSED OR, AS APPLICABLE, REGIS-  
11 TERED UNDER THE APPLICABLE FINANCIAL LICENSING ACT OR LICENSED  
12 UNDER THIS ACT AND IS NOT OTHERWISE EXEMPT FROM APPLICABLE  
13 LICENSING OR REGISTRATION REQUIREMENTS. IF A PERSON ENGAGES IN 1  
14 OR MORE BUSINESS ACTIVITIES WITHOUT THE APPLICABLE LICENSES OR  
15 REGISTRATIONS, IT SHALL BE DISCRETIONARY WITH THE COMMISSIONER TO  
16 ENFORCE THE APPLICABLE LICENSING OR REGISTRATION REQUIREMENTS  
17 UNDER EITHER 1 OR MORE OF THE FINANCIAL LICENSING ACTS OR THIS  
18 ACT, BUT NOT BOTH.

19           (3) THIS ACT DOES not apply to a ~~state or national bank,~~  
20 ~~state or federal credit union, or state or federal savings and~~  
21 ~~loan association~~ DEPOSITORY FINANCIAL INSTITUTION.

22           Sec. 4. An application for a ~~class I license or class II~~  
23 license under this act shall be made in writing and under oath to  
24 the commissioner in the form ~~he or she~~ THE COMMISSIONER may  
25 prescribe. The application shall state the full name, business  
26 address, and residence address of the following:

1 (a) The proprietor, if the applicant is an individual.

2 (b) Every member, if the applicant is a partnership, LIMITED  
3 LIABILITY COMPANY, or association, except that if the applicant  
4 is a joint stock association having 50 or more members, the name  
5 and business address need be given only for the association and  
6 each of its officers and directors.

7 (c) If the applicant is a corporation, the name of the cor-  
8 poration and each of its officers, directors, and stockholders.  
9 The commissioner may exempt publicly held corporations from the  
10 requirement of providing information regarding stockholders.

11 Sec. 5. (1) An application for a license shall be accom-  
12 panied by all of the following:

13 (a) ~~A license fee as provided by~~ AN ANNUAL OPERATING FEE  
14 AS ESTABLISHED BY THE COMMISSIONER UNDER section 11.

15 (b) An ~~investigation~~ APPLICATION fee as provided by  
16 section 11. The ~~investigation~~ APPLICATION fee is not  
17 refundable.

18 (c) Financial statements, reasonably satisfactory to the  
19 commissioner, showing that the applicant's net worth exceeds  
20 \$100,000.00 for applicants for a class I license, ~~and~~  
21 \$50,000.00 for applicants for a class II license, AND  
22 \$1,000,000.00 FOR APPLICANTS THAT INTEND TO ENGAGE IN BUSINESS  
23 ACTIVITY GOVERNED BY 1984 PA 379, MCL 493.101 TO 493.114. ~~If~~  
24 ~~the applicant deposits with the commissioner bonds, notes, debent-~~  
25 ~~tures, or other obligations of the United States, of this state,~~  
26 ~~or of a local unit of government in the state, as provided under~~  
27 ~~section 6(4), the financial statement shall show that the~~

1 ~~applicant's net worth exceeds \$200,000.00 for a class I license~~  
2 ~~and \$100,000.00 for a class II license.~~ A licensee shall have  
3 and continue to maintain the required net worth while engaging in  
4 the BUSINESS activities authorized for licensing under this act.  
5 The commissioner may ~~promulgate rules establishing~~ BY ORDER  
6 ESTABLISH a higher net worth requirement for new class I licens-  
7 ees to assure safe and sound operation of the activities.

8 (2) NET WORTH UNDER SUBSECTION (1)(C) SHALL BE DETERMINED AT  
9 THE CONCLUSION OF THE FISCAL YEAR OF THE LICENSEE IMMEDIATELY  
10 PRECEDING THE DATE AN APPLICATION FOR A LICENSE IS SUBMITTED TO  
11 THE COMMISSIONER OR, FOR CORPORATIONS NOT IN EXISTENCE AS OF THE  
12 PREVIOUS YEAR END, THE IMMEDIATELY PRECEDING MONTH END. NET  
13 WORTH SHALL BE DISCLOSED ON A FORM PRESCRIBED BY THE COMMISSIONER  
14 OR ON A FORM PREPARED OR REVIEWED BY A CERTIFIED PUBLIC ACCOUN-  
15 TANT AND SHALL BE COMPUTED IN ACCORDANCE WITH GENERALLY ACCEPTED  
16 ACCOUNTING PRINCIPLES. THE FOLLOWING ASSETS SHALL BE EXCLUDED IN  
17 THE COMPUTATION OF NET WORTH:

18 (A) THAT PORTION OF AN APPLICANT'S ASSETS PLEDGED TO SECURE  
19 OBLIGATIONS OF ANY PERSON OTHER THAN THE APPLICANT.

20 (B) RECEIVABLES FROM OFFICERS OR, IN THE CASE OF A CORPORATE  
21 APPLICANT OTHER THAN A PUBLICLY TRADED COMPANY, STOCKHOLDERS OF  
22 THE APPLICANT OR PERSONS IN WHICH THE APPLICANT'S OFFICERS OR  
23 STOCKHOLDERS HAVE AN INTEREST, EXCEPT THAT CONSTRUCTION LOAN  
24 RECEIVABLES SECURED BY MORTGAGES FROM RELATED COMPANIES ARE NOT  
25 SO EXCLUDED.

1 (C) AN AMOUNT IN EXCESS OF THE LOWER OF THE COST OR MARKET  
2 VALUE OF MORTGAGE LOANS IN FORECLOSURE OR REAL PROPERTY ACQUIRED  
3 THROUGH FORECLOSURE.

4 (D) AN INVESTMENT SHOWN ON THE BALANCE SHEET IN JOINT VEN-  
5 TURES, SUBSIDIARIES, OR AFFILIATES THAT IS GREATER THAN THE  
6 MARKET VALUE OF THE INVESTMENT.

7 (E) GOODWILL OR VALUE PLACED ON INSURANCE RENEWALS OR PROP-  
8 ERTY MANAGEMENT CONTRACT RENEWALS OR OTHER SIMILAR INTANGIBLE  
9 VALUE.

10 (F) ORGANIZATION COSTS.

11 Sec. 6. (1) ~~Except as provided by subsection (4), the~~ AN  
12 applicant for a ~~class I~~ license ~~, at the time of filing an~~  
13 ~~application,~~ shall ~~also~~ file when required by the commissioner  
14 a surety bond ~~in the principal sum of \$125,000.00 and in an~~  
15 ~~additional principal sum of \$3,000.00 for each office or agency~~  
16 ~~of the applicant engaged in the sale of checks, but the total~~  
17 ~~amount of the bond required under this subsection shall not~~  
18 ~~exceed \$250,000.00~~ OR LETTER OF CREDIT IN AN AMOUNT NOT LESS  
19 THAN \$500,000.00.

20 ~~(2) Except as provided by subsection (4), the applicant for~~  
21 ~~a class II license, at the time of filing an application, shall~~  
22 ~~also file, when required by the commissioner, a surety bond in~~  
23 ~~the principal sum of \$25,000.00.~~

24 (2) ~~(3) The applicant for the surety bond shall be the~~  
25 ~~obligor on the surety bond of which the surety company shall be~~  
26 ~~the surety. The company shall be qualified in this state to~~  
27 ~~write bonds required by this act. The surety bond shall run to~~

1 the commissioner for the benefit of the people of the state of  
2 Michigan for the use of, and may be sued on by, the state or any  
3 person who may have a cause of action against the obligor of the  
4 bond under this act. ~~The surety bond shall be conditioned that~~  
5 ~~the obligor will faithfully conform to and abide by the provi-~~  
6 ~~sions of this act and of all rules lawfully promulgated by the~~  
7 ~~commissioner, and will pay to the state and to a person any money~~  
8 ~~that may become due or owing to the state or to a person from the~~  
9 ~~obligor under this act.~~

10 (3) THE SURETY BOND OR LETTER OF CREDIT REQUIRED UNDER THIS  
11 SECTION SHALL BE IN A FORM SATISFACTORY TO THE COMMISSIONER AND  
12 CONDITIONED UPON THE LICENSEE CONDUCTING ITS ACTIVITIES AS  
13 REQUIRED BY THIS ACT AND ALL OF THE RULES PROMULGATED UNDER THIS  
14 ACT, AND THE PAYMENT OF ALL MONEY THAT BECOMES DUE TO A PERSON  
15 WHO IS AN INSTALLMENT BUYER UNDER THE MOTOR VEHICLE SALES FINANCE  
16 ACT, 1950 (EX SESS) PA 27, MCL 492.101 TO 492.141, MICHIGAN RESI-  
17 DENTS WHO PURCHASE CHECKS UNDER THE SALE OF CHECKS ACT, 1960 PA  
18 136, MCL 487.901 TO 487.916, LOAN APPLICANTS, LOAN SERVICING CUS-  
19 TOMERS, AND BORROWERS UNDER THE SECONDARY MORTGAGE LOAN ACT, 1981  
20 PA 125, MCL 493.51 TO 493.81, OR THE MORTGAGE BROKERS, LENDERS,  
21 AND SERVICERS LICENSING ACT, 1987 PA 173, MCL 445.1651 TO  
22 445.1684, AND THE COMMISSIONER.

23 (4) ~~For a class II license, instead of a surety bond, the~~  
24 ~~applicant may deposit with the commissioner bonds, notes, debent-~~  
25 ~~tures, or other obligations of the United States, of this state,~~  
26 ~~or of any local unit of government in this state. The securities~~  
27 ~~shall have a market value of at least the amount of the surety~~



~~1 bond that would be required of the applicant by this section.~~  
~~2 The securities shall be deposited with the commissioner to secure~~  
~~3 the same obligations as would a surety bond, but the depositor~~  
~~4 shall be entitled to receive all interest and dividends on the~~  
~~5 securities. With written approval of the commissioner the~~  
~~6 licensee may have the right to substitute other securities for~~  
~~7 those deposited, or shall be required to do so on order of the~~  
~~8 commissioner made for good cause shown. The licensee shall~~  
~~9 insure that the securities on deposit shall be maintained at a~~  
~~10 market value of at least the amount of the surety bond that is~~  
~~11 required of the licensee by this section.~~ THE COMMISSIONER SHALL  
12 PRIORITIZE AND PAY CLAIMS AGAINST A BOND OR LETTER OF CREDIT  
13 FILED WITH THE COMMISSIONER UNDER THIS SECTION IN A MANNER THAT,  
14 IN THE COMMISSIONER'S DISCRETION, BEST PROTECTS THE PUBLIC  
15 INTEREST.

16 (5) CLAIMS DESCRIBED IN SUBSECTION (4) MAY ONLY BE FILED  
17 AGAINST A LICENSEE'S BOND OR LETTER OF CREDIT BY THE COMMISSIONER  
18 ON BEHALF OF THE BUREAU AND OF INDIVIDUALS HAVING CLAIMS AND WHO  
19 ARE, AS APPLICABLE, THE LICENSEE'S LOAN APPLICANTS, LOAN SERVIC-  
20 ING CUSTOMERS, AND BORROWERS UNDER THE SECONDARY MORTGAGE LOAN  
21 ACT, 1981 PA 125, MCL 493.51 TO 493.81, OR THE MORTGAGE BROKERS,  
22 LENDERS, AND SERVICERS LICENSING ACT, 1987 PA 173, MCL 445.1651  
23 TO 445.1684, MICHIGAN RESIDENTS WHO PURCHASE CHECKS UNDER THE  
24 SALE OF CHECKS ACT, 1960 PA 136, MCL 487.901 TO 487.916, OR PER-  
25 SONS WHO ARE INSTALLMENT BUYERS UNDER THE MOTOR VEHICLE SALES  
26 FINANCE ACT, 1950 (EX SESS) PA 27, MCL 492.101 TO 492.141.

1 (6) CLAIMS FILED WITH THE COMMISSIONER AGAINST A BOND OR  
2 LETTER OF CREDIT BY A LOAN APPLICANT, LOAN SERVICING CUSTOMER, OR  
3 BORROWER UNDER THE MORTGAGE BROKERS, LENDERS, AND SERVICERS  
4 LICENSING ACT, 1987 PA 173, MCL 445.1651 TO 445.1684, SHALL  
5 INVOLVE, AS APPLICABLE, ONLY A MORTGAGE LOAN, MORTGAGE LOAN  
6 APPLICATION, SECONDARY MORTGAGE LOAN, OR SECONDARY MORTGAGE LOAN  
7 APPLICATION SECURED OR TO BE SECURED BY REAL PROPERTY USED AS A  
8 DWELLING LOCATED IN THIS STATE. THE AMOUNT OF THE CLAIM SHALL  
9 NOT EXCEED ACTUAL FEES PAID BY THE CLAIMANT TO THE LICENSEE IN  
10 CONNECTION WITH A LOAN APPLICATION, OVERCHARGES OF PRINCIPAL AND  
11 INTEREST, AND EXCESS ESCROW COLLECTIONS BY THE LICENSEE.

12 (7) BEFORE PAYMENT OF ANY CLAIM FILED UNDER THIS SECTION,  
13 UNLESS THE COMMISSIONER WAIVES, IN WHOLE OR IN PART, THE RIGHT TO  
14 PRIORITY OF PAYMENT, THE COMMISSIONER SHALL BE PAID IN FULL FOR  
15 FINES AND FEES DUE TO THE BUREAU AND FOR EXPENSES INCURRED IN  
16 INVESTIGATING THE LICENSEE AND IN DISTRIBUTING THE PROCEEDS OF  
17 THE BOND OR LETTER OF CREDIT. IN THE EVENT THAT VALID CLAIMS  
18 EXCEED THE AMOUNT OF THE BOND OR LETTER OF CREDIT, EACH CLAIMANT  
19 EXCEPT THE COMMISSIONER SHALL BE ENTITLED ONLY TO A PRO RATA  
20 AMOUNT OF HIS OR HER VALID CLAIM.

21 Sec. 7. (1) Upon the filing of an application and the pay-  
22 ment of the required fees by an applicant, the commissioner shall  
23 investigate the applicant. ~~for a class I license or class II~~  
24 ~~license.~~ If the commissioner finds that the financial responsi-  
25 bility, experience, character, and general fitness of the appli-  
26 cant, and of the applicant's members if the applicant is a  
27 partnership, LIMITED LIABILITY COMPANY, or association, and of

1 the applicant's officers and directors if the applicant is a  
2 corporation, are such as to command the confidence of the commu-  
3 nity and to warrant belief that the business will be operated  
4 lawfully, honestly, fairly, and efficiently within the purposes  
5 of this act, the commissioner shall issue and deliver to the  
6 applicant a license to engage in all of the activities authorized  
7 under this act or by rule or order of the commissioner.

8 (2) A license issued or renewed under this act expires on  
9 December 31 each year. To renew an existing license, a licensee  
10 shall pay an annual ~~license~~ OPERATING fee as provided in  
11 section 11 on or before December 15 of the year immediately pre-  
12 ceding the year for which the renewal is requested. ~~A license~~  
13 ~~renewal~~ AN ANNUAL OPERATING fee paid after December 31 is  
14 subject to a penalty of \$25.00 for each day the fee is delinquent  
15 or \$1,000.00, whichever is less, AND MAY BE GROUNDS FOR THE  
16 COMMISSIONER'S REFUSAL TO REISSUE THE LICENSE.

17 Sec. 8. (1) Upon approval by the commissioner of an appli-  
18 cation for ~~issuance or renewal of a class I or class II~~ A  
19 license, the commissioner shall issue to the applicant a ~~class I~~  
20 ~~or class II~~ license certificate showing the name of the person  
21 authorized to do business and the business address of the  
22 licensee. The ~~license certificate when issued to a~~ licensee  
23 shall ~~be posted in a conspicuous place in the~~ MAKE A COPY OF  
24 THE LICENSE AVAILABLE AT THE LICENSEE'S place of business ~~so~~  
25 ~~that it will be in full view of the public at all times~~ FOR  
26 INSPECTION UPON REQUEST BY ANY NATURAL PERSON.

1 (2) A ~~class I or class II~~ license issued under this act is  
2 not transferable or assignable. FOR PURPOSES OF THIS SUBSECTION,  
3 TRANSFER MEANS THE SALE, ASSIGNMENT, OR CONVEYANCE OF MORE THAN  
4 25% OF THE OUTSTANDING VOTING STOCK OF A LICENSEE THAT IS A COR-  
5 PORATION, OR MORE THAN 25% OF THE OWNERSHIP INTEREST IN A  
6 LICENSEE THAT IS A PARTNERSHIP OR OTHER LEGAL ENTITY.

7 (3) A licensee under this act may change its name or place  
8 of business ~~to another location within the state~~ SHOWN ON THE  
9 LICENSE. To change its name or the ~~address of its place of~~  
10 ~~business~~ PLACE OF BUSINESS SHOWN ON THE LICENSE, a licensee  
11 shall give prior written notice to the commissioner and return  
12 the license certificate to the commissioner for amendment. The  
13 commissioner shall amend the license certificate to show the new  
14 name or the new ~~address~~ PLACE OF BUSINESS SHOWN ON THE LICENSE  
15 and the date of reissue.

16 (4) ~~Only 1 place of business may be operated under a~~  
17 ~~license.~~ A licensee may engage in activities for which a ~~class~~  
18 ~~I or class II~~ license is required at more than 1 place of busi-  
19 ness by ~~filing an application on the prescribed form and comply-~~  
20 ~~ing with the bond and license fee provisions of this act for~~  
21 PROVIDING NOT LESS THAN 30 DAYS' WRITTEN NOTICE TO THE COMMIS-  
22 SIONER BEFORE OPENING each additional place of business, and oth-  
23 erwise complying with the requirements of this act. AN APPLICA-  
24 TION THAT IDENTIFIES THE LOCATIONS AT WHICH THE APPLICANT, IF  
25 APPROVED, WILL CONDUCT BUSINESS ACTIVITIES THAT ARE SUBJECT TO  
26 THIS ACT MEETS THE NOTICE REQUIREMENT OF THIS SUBSECTION FOR  
27 THOSE LOCATIONS.

1 (5) A LICENSEE THAT ELECTS TO CEASE ENGAGING IN BUSINESS  
2 ACTIVITIES THAT ARE SUBJECT TO THIS ACT AT A PLACE OF BUSINESS  
3 SHALL PROVIDE PRIOR WRITTEN NOTICE TO THE COMMISSIONER.

4 Sec. 9. (1) ~~Unless exempt~~ EXCEPT AS OTHERWISE PROVIDED by  
5 subsection (2), a licensee under this act shall comply with all  
6 of the requirements of the financial licensing acts.

7 (2) A licensee under this act shall be exempt from provi-  
8 sions of the financial licensing acts regulating the following:

9 (a) Application procedures.

10 (b) Licensing procedures.

11 (c) Payment of fees by the licensee.

12 (d) Filing of surety bonds.

13 (e) Denial, suspension, or revocation of a license.

14 (f) Retention of records.

15 (G) FILING OF REPORTS.

16 (3) A licensee may purchase a contract made in compliance  
17 with the retail installment sales act, ~~Act No. 224 of the Public~~  
18 ~~Acts of 1966, being sections 445.851 to 445.873 of the Michigan~~  
19 ~~Compiled Laws~~ 1966 PA 224, MCL 445.851 TO 445.873, or the home  
20 improvement finance act, ~~Act No. 332 of the Public Acts of 1965,~~  
21 ~~being sections 445.1101 to 445.1431 of the Michigan Compiled~~  
22 ~~Laws~~ 1965 PA 332, MCL 445.1101 TO 445.1431.

23 (4) A licensee ~~under this act~~ may have 1 or more loans  
24 outstanding to 1 borrower, but no single loan transaction shall  
25 violate the financial licensing act which regulates the type of  
26 loan transaction.

1       Sec. 10. (1) A ~~class I or class II~~ license shall not be  
2 ~~denied,~~ suspended ~~,~~ or revoked except on not less than 10  
3 days' notice to the ~~applicant or~~ licensee setting forth in  
4 writing the reasons for the ~~denial,~~ suspension ~~,~~ or  
5 revocation. Within 5 days after receipt of the notice, the  
6 ~~applicant or~~ licensee may make written demand for a hearing.  
7 The commissioner with reasonable promptness shall hear and deter-  
8 mine the matter as provided by the administrative procedures act  
9 of 1969, ~~Act No. 306 of the Public Acts of 1969, being sections~~  
10 ~~24.201 to 24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL  
11 24.201 TO 24.328. If the ~~applicant or~~ licensee considers  
12 itself aggrieved by the order of the commissioner, the ~~applicant~~  
13 ~~or~~ licensee may appeal within 30 days from the date of the order  
14 to the circuit court in the manner provided by the administrative  
15 procedures act of 1969, 1969 PA 306, MCL 24.201 TO 24.328, and  
16 shall be entitled to judicial review as provided in that act. If  
17 an appeal is taken from an order revoking any license, the effect  
18 of the order may be stayed by the court pending the final deter-  
19 mination of the appeal.

20       (2) The commissioner may ~~deny,~~ suspend, revoke, or refuse  
21 to renew a license under this act if the commissioner finds 1 or  
22 more of the following:

23       (a) The licensee has made a material misstatement in the  
24 application for license.

25       (b) The licensee has violated a provision of this act or a  
26 rule promulgated ~~pursuant to~~ UNDER this act, or an order of the  
27 commissioner.

1 (c) The licensee has refused to permit the commissioner or  
2 the commissioner's designated representative to make examinations  
3 authorized by this act.

4 (d) The licensee has failed to meet or maintain the require-  
5 ments of section 6 or any other requirements of this act.

6 (e) The licensee has failed to maintain satisfactory records  
7 as required by this act.

8 (f) The licensee has falsified a record required by this act  
9 to be maintained in connection with the business regulated by  
10 this act.

11 (g) The licensee has, after proper notice, failed to file a  
12 report with the commissioner within the time stipulated in this  
13 act.

14 (h) The licensee has failed to pay the fine required by this  
15 act for failure to file reports within the time stipulated.

16 (i) The licensee has defrauded a consumer or willfully  
17 failed to perform a written agreement with a consumer.

18 (J) THE LICENSEE HAS FAILED TO RESPOND TIMELY TO A COMPLAIN-  
19 ANT, OR HAS FAILED TO HANDLE THE COMPLAINT TO THE SATISFACTION OF  
20 THE COMMISSIONER AFTER ALL OF THE FOLLOWING HAVE OCCURRED:

21 (i) A PERSON HAS FILED A COMPLAINT WITH THE COMMISSIONER  
22 ALLEGING THAT THE LICENSEE HAS VIOLATED THIS ACT OR A RULE  
23 PROMULGATED OR AN ORDER ISSUED UNDER THIS ACT.

24 (ii) THE COMMISSIONER, IN HIS OR HER DISCRETION, HAS FOR-  
25 WARDED THE COMPLAINT TO THE LICENSEE AGAINST WHICH THE COMPLAINT  
26 IS FILED.

1           (iii) AFTER FORWARDING THE COMPLAINT TO THE LICENSEE, THE  
2 COMMISSIONER HAS REQUESTED THAT THE LICENSEE RESPOND TO THE  
3 COMPLAINANT AND PROVIDE THE COMMISSIONER WITH A COPY OF THE  
4 RESPONSE WITHIN A SPECIFIED PERIOD.

5           (K) ~~(j)~~ A fact or condition exists ~~which~~ THAT, if it had  
6 existed or had been known to exist at the time of filing of the  
7 application for a license, would have warranted refusal by the  
8 commissioner to issue a license.

9           (l) ~~(k)~~ A class I licensee ~~, in issuing or selling~~  
10 AUTHORIZED TO ISSUE OR SELL checks, has refused or is unable to  
11 pay its obligations generally as they become due.

12           (M) A LICENSEE ENGAGED IN LOAN SERVICING ACTIVITIES, INTEN-  
13 TIONALLY OR AS A RESULT OF GROSS OR WANTON NEGLIGENCE, IS NOT  
14 SERVICING LOANS AS REQUIRED BY LAW OR BY THE TERMS OF THE SERVIC-  
15 ING CONTRACTS.

16           (N) THE LICENSEE HAS FAILED TO PAY AN ANNUAL OPERATING FEE  
17 OR ANY ASSOCIATED LATE FILING FEES.

18           (3) Based on the findings of the commissioner ~~pursuant to~~  
19 UNDER subsection (2), he or she may suspend or revoke all activi-  
20 ties under the license, or only the particular regulated activity  
21 ~~to~~ FOR which grounds for revocation or suspension occurred or  
22 existed.

23           (4) The commissioner may make investigations OR CONDUCT  
24 EXAMINATIONS OF ANY PERSON and conduct hearings as the commis-  
25 sioner considers necessary to determine whether any licensee or  
26 any other person has violated any of the provisions of this act,



1 or whether any licensee has conducted business in such a manner  
2 as would justify suspension or revocation of its license.

3 (5) The commissioner may subpoena witnesses and documents,  
4 papers, books, records, and other evidence in any matter over  
5 which the commissioner has jurisdiction, control, or  
6 supervision. The commissioner may administer oaths and affirma-  
7 tions to any person whose testimony is required.

8 (6) If a person fails to comply with a subpoena issued by  
9 the commissioner or to testify with respect to any matter con-  
10 cerning which the person may be lawfully questioned, the circuit  
11 court for Ingham county, on application of the commissioner, may  
12 issue an order requiring the attendance of the person and the  
13 giving of testimony or production of evidence.

14 (7) If, in the opinion of the commissioner, a person or  
15 licensee, OR ANY OF THE OFFICERS, DIRECTORS, MEMBERS, PARTNERS,  
16 TRUSTEES, EMPLOYEES, OR AGENTS OF THE PERSON OR LICENSEE, is  
17 engaging in, or has engaged in, or the commissioner has reason-  
18 able cause to believe that the person or licensee, OR ANY OF THE  
19 OFFICERS, DIRECTORS, MEMBERS, PARTNERS, TRUSTEES, EMPLOYEES, OR  
20 AGENTS OF THE PERSON OR LICENSEE, is about to engage in, an  
21 unsafe or unsound practice ~~, to the detriment of the people of~~  
22 ~~the state,~~ OR A PRACTICE THAT POSES A THREAT OF FINANCIAL LOSS  
23 OR THREAT TO THE PUBLIC WELFARE or the commissioner has reason-  
24 able cause to believe the PERSON OR licensee, OR ANY OF THE OFFI-  
25 CERS, DIRECTORS, MEMBERS, PARTNERS, TRUSTEES, EMPLOYEES, OR  
26 AGENTS OF THE PERSON OR LICENSEE, has violated, is violating, or  
27 is about to violate a state OR FEDERAL law or rule OR REGULATION

1 promulgated pursuant to a state OR FEDERAL law, the commissioner  
2 may issue and serve upon the person or licensee, OR ANY OF THE  
3 OFFICERS, DIRECTORS, MEMBERS, PARTNERS, TRUSTEES, EMPLOYEES, OR  
4 AGENTS OF THE PERSON OR LICENSEE, a notice of the charges regard-  
5 ing the unsafe or unsound practice or violation. The notice  
6 shall contain a statement of the facts constituting the ~~alleged~~  
7 ~~unsafe or unsound~~ practice or violation and shall fix a time and  
8 place at which a hearing will be held to determine whether an  
9 order to cease and desist ~~, or refrain,~~ from the practice or  
10 violation should ~~issue~~ BE ISSUED against the PERSON OR  
11 licensee, OR ANY OF THE OFFICERS, DIRECTORS, MEMBERS, PARTNERS,  
12 TRUSTEES, EMPLOYEES, OR AGENTS OF THE PERSON OR LICENSEE. The  
13 hearing shall be not earlier than ~~5~~ 30 days nor later than ~~10~~-  
14 60 days after service of the notice unless ~~an earlier or a~~  
15 ~~later~~ ANOTHER date is set by the commissioner at the request of  
16 the person or licensee, OR ANY OF THE OFFICERS, DIRECTORS, MEM-  
17 BERS, PARTNERS, TRUSTEES, EMPLOYEES, OR AGENTS OF THE PERSON OR  
18 LICENSEE. Unless the person or licensee OR THE SPECIFIED OFFI-  
19 CER, DIRECTOR, MEMBER, TRUSTEE, EMPLOYEE, OR AGENT OF THE PERSON  
20 OR LICENSEE appears at the hearing personally or by a duly autho-  
21 rized representative, the person or licensee OR THE SPECIFIED  
22 OFFICER, DIRECTOR, MEMBER, TRUSTEE, EMPLOYEE, OR AGENT OF THE  
23 PERSON OR LICENSEE shall be considered to have consented to the  
24 issuance of the cease and desist ~~or refraining~~ order. If the  
25 person or licensee OR THE SPECIFIED OFFICER, DIRECTOR, MEMBER,  
26 TRUSTEE, EMPLOYEE, OR AGENT OF THE PERSON OR LICENSEE has  
27 consented, or if upon the record made at the hearing, the

1 commissioner finds that ~~any unsafe or unsound~~ AN ALLEGED  
2 practice or violation OR FAILURE to comply specified in the  
3 notice of charges has been established, the commissioner may  
4 issue and serve upon the person or licensee OR THE SPECIFIED  
5 OFFICER, DIRECTOR, MEMBER, TRUSTEE, EMPLOYEE, OR AGENT OF THE  
6 PERSON OR LICENSEE an order to cease and desist ~~, or refrain,~~  
7 from any practice or violation. The order may also require that  
8 the person or licensee OR THE SPECIFIED OFFICER, DIRECTOR,  
9 MEMBER, TRUSTEE, EMPLOYEE, OR AGENT OF THE PERSON OR LICENSEE  
10 take affirmative action to correct the conditions resulting from  
11 any practice or violation.

12 (8) IF THE COMMISSIONER ISSUES A CEASE AND DESIST ORDER IN  
13 CONJUNCTION WITH A SUMMARY SUSPENSION ORDER, THE CEASE AND DESIST  
14 ORDER SHALL BECOME EFFECTIVE ON THE DATE OF ISSUANCE AND AS  
15 AGAINST ANY PARTY WHEN SERVED. THE MANNER OF THE SERVICE OF PRO-  
16 CESS SHALL BE IN ACCORDANCE WITH THE MICHIGAN COURT RULES.

17 (9) ~~(8)~~ A cease and desist ~~or refraining~~ order issued  
18 under subsection (7) shall become effective at the expiration of  
19 5 days after service of the order upon the licensee OR PERSON,  
20 except in the case of an order issued UNDER SUBSECTION (8) OR  
21 upon consent which shall become effective ~~at the time specified~~  
22 ~~in the order~~ ON THE DATE OF SERVICE, and shall remain in effect  
23 and enforceable as provided in the order, except to the extent it  
24 is stayed, modified, terminated, or set aside by action of the  
25 commissioner or a reviewing court.

26 SEC. 10A. (1) IF AN APPLICANT FOR A LICENSE IS DISSATISFIED  
27 WITH THE ORDER ISSUED UNDER SECTION 10 BY THE COMMISSIONER, THE

1 APPLICANT MAY FILE WITH THE COMMISSIONER, NOT LATER THAN 15 DAYS  
2 AFTER THE ISSUANCE OF THE ORDER, A NOTICE OF REQUEST FOR RECON-  
3 sideration OF THE ORDER TOGETHER WITH A STATEMENT IN SUPPORT OF  
4 THE APPLICANT'S REQUEST FOR RECONSIDERATION AND, IF DESIRED, A  
5 REQUEST FOR ORAL ARGUMENT. THE NOTICE OF REQUEST FOR A RECONSID-  
6 ERATION AND SUPPORTING STATEMENT SHALL BE IN WRITING.

7 (2) THE ISSUES RAISED IN THE APPLICANT'S STATEMENT SHALL BE  
8 LIMITED TO THE COMMISSIONER'S FINDINGS OF FACT AND CONCLUSIONS OF  
9 LAW SET FORTH IN THE ORDER.

10 (3) IF THE COMMISSIONER GRANTS THE REQUEST FOR RECONSIDERA-  
11 TION, NOT LATER THAN 10 DAYS AFTER THE COMMISSIONER RECEIVES THE  
12 STATEMENT, THE COMMISSIONER SHALL EITHER PROVIDE A WRITTEN  
13 RESPONSE TO THE APPLICANT'S REQUEST FOR RECONSIDERATION OR CON-  
14 DUCT AN ORAL ARGUMENT. IF THE COMMISSIONER DOES NOT GRANT THE  
15 REQUEST FOR RECONSIDERATION, THE ORDER SHALL STAND.

16 (4) IF AN ORAL ARGUMENT IS CONDUCTED UNDER SUBSECTION (3),  
17 THE ORAL ARGUMENT SHALL BE LIMITED TO THE ISSUES RAISED IN THE  
18 APPLICANT'S STATEMENT. THE COMMISSIONER SHALL EITHER AFFIRM THE  
19 ORDER OR REVISE THE ORDER AS THE COMMISSIONER CONSIDERS APPROPRI-  
20 ATE NOT LATER THAN 10 DAYS AFTER THE COMPLETION OF THE ORAL  
21 ARGUMENT.

22 (5) FOR PURPOSES OF THIS ACT, AN APPLICATION FOR A LICENSE  
23 AND THE COMMISSIONER'S FINAL DECISIONS, FINDINGS, RULINGS, AND  
24 ORDERS ARE NOT CONTESTED CASES WITHIN THE MEANING OF THE ADMINIS-  
25 TRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO  
26 24.328.

1 (6) IF THE APPLICANT CONSIDERS ITSELF AGGRIEVED BY AN ORDER  
2 OF THE COMMISSIONER, THE APPLICANT MAY APPEAL WITHIN 30 DAYS FROM  
3 THE DATE OF THE ORDER TO THE INGHAM COUNTY CIRCUIT COURT IN THE  
4 MANNER PROVIDED BY THE ADMINISTRATIVE PROCEDURES ACT OF 1969,  
5 1969 PA 306, MCL 24.201 TO 24.328.

6 SEC. 10B. (1) IF, IN THE OPINION OF THE COMMISSIONER, ANY  
7 OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT  
8 OF A LICENSEE HAS COMMITTED ANY VIOLATION OF LAW OR RULE OR OF A  
9 CEASE AND DESIST ORDER THAT HAS BECOME FINAL, OR HAS ENGAGED IN  
10 ANY UNSAFE OR UNSOUND PRACTICE OR A PRACTICE THAT POSES A THREAT  
11 OF FINANCIAL LOSS OR THREAT TO THE PUBLIC WELFARE, THE COMMIS-  
12 SIONER MAY SERVE UPON THE OFFICER, DIRECTOR, MEMBER, PARTNER,  
13 TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE A WRITTEN NOTICE OF  
14 INTENTION TO PROHIBIT THE OFFICER, DIRECTOR, MEMBER, PARTNER,  
15 TRUSTEE, EMPLOYEE, OR AGENT FROM ENGAGING IN ANY CAPACITY WITH  
16 ANY LICENSEE AND TO PROHIBIT THE OFFICER, DIRECTOR, MEMBER, PART-  
17 NER, TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE FROM ENGAGING  
18 FURTHER IN BUSINESS ACTIVITIES.

19 (2) IF, IN THE OPINION OF THE COMMISSIONER, AN OFFICER,  
20 DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF ANY  
21 LICENSEE, BY CONDUCT OR PRACTICE WITH RESPECT TO THE LICENSEE  
22 THAT RESULTED IN FINANCIAL LOSS OR OTHER HARM, HAS EVIDENCED HIS  
23 OR HER PERSONAL UNFITNESS TO CONTINUE AS AN OFFICER, DIRECTOR,  
24 MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE, THE  
25 COMMISSIONER MAY SERVE UPON THE OFFICER, DIRECTOR, MEMBER, PART-  
26 NER, TRUSTEE, EMPLOYEE, OR AGENT A WRITTEN NOTICE OF INTENTION TO  
27 PROHIBIT HIS OR HER PARTICIPATION IN ANY CAPACITY WITH ANY

1 LICENSEE AND TO PROHIBIT THE OFFICER, DIRECTOR, MEMBER, PARTNER,  
2 TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE FROM ENGAGING FURTHER  
3 IN BUSINESS ACTIVITIES.

4 (3) WITH RESPECT TO ANY OFFICER, DIRECTOR, MEMBER, PARTNER,  
5 TRUSTEE, EMPLOYEE, OR AGENT OF ANY LICENSEE TO WHOM NOTICE IS  
6 SENT UNDER SUBSECTION (1) OR (2), IF THE COMMISSIONER CONSIDERS  
7 IT NECESSARY FOR THE PROTECTION OF THE PUBLIC THAT THE OFFICER,  
8 DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT BE SUS-  
9 PENDED FROM HIS OR HER POSITION WITH THE LICENSEE OR PROHIBITED  
10 FROM FURTHER PARTICIPATION IN ANY CAPACITY WITH ANY LICENSEE AND  
11 TO PROHIBIT THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
12 EMPLOYEE, OR AGENT OF THE LICENSEE FROM ENGAGING FURTHER IN BUSI-  
13 NESS ACTIVITIES, THE COMMISSIONER MAY SERVE UPON THE OFFICER,  
14 DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT A WRITTEN  
15 NOTICE OF SUSPENSION OR WRITTEN NOTICE PROHIBITING HIM OR HER  
16 FROM PARTICIPATION IN ANY CAPACITY WITH ANY LICENSEE AND TO PRO-  
17 HIBIT THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE,  
18 OR AGENT OF THE LICENSEE FROM ENGAGING FURTHER IN BUSINESS  
19 ACTIVITIES. THE SUSPENSION OR PROHIBITION SHALL BECOME EFFECTIVE  
20 ON THE DATE OF ISSUANCE AND AS AGAINST ANY PARTY WHEN SERVED AND,  
21 UNLESS STAYED BY A COURT IN PROCEEDINGS AUTHORIZED BY SUBSECTION  
22 (5), SHALL REMAIN IN EFFECT UNTIL DISMISSED BY THE COMMISSIONER  
23 OR, IF AN ORDER OF REMOVAL OR PROHIBITION IS ISSUED AGAINST THE  
24 OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT  
25 OF THE LICENSEE, UNTIL THE DATE SPECIFIED IN THE ORDER. COPIES  
26 OF THE NOTICE SHALL ALSO BE SERVED UPON THE LICENSEE OF WHICH HE

1 OR SHE IS AN OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
2 EMPLOYEE, OR AGENT.

3 (4) A NOTICE OF INTENTION TO PROHIBIT AN OFFICER, DIRECTOR,  
4 MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF A LICENSEE FROM  
5 FURTHER PARTICIPATION IN ANY CAPACITY WITH ANY LICENSEE AND TO  
6 PROHIBIT THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOY-  
7 EE, OR AGENT OF THE LICENSEE FROM ENGAGING FURTHER IN BUSINESS  
8 ACTIVITIES SHALL CONTAIN A STATEMENT OF THE FACTS CONSTITUTING  
9 GROUNDS FOR PROHIBITION, AND SHALL FIX A TIME AND PLACE AT WHICH  
10 A HEARING WILL BE HELD. THE HEARING SHALL BE HELD NOT EARLIER  
11 THAN 30 DAYS NOR LATER THAN 60 DAYS AFTER THE DATE OF SERVICE OF  
12 THE NOTICE, UNLESS ANOTHER DATE IS SET BY THE COMMISSIONER AT THE  
13 REQUEST OF THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
14 EMPLOYEE, OR AGENT AND, FOR GOOD CAUSE SHOWN. UNLESS THE OFFI-  
15 CER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF  
16 THE LICENSEE APPEARS AT THE HEARING IN PERSON OR BY DULY AUTHO-  
17 RIZED REPRESENTATIVE, HE OR SHE SHALL BE CONSIDERED TO HAVE CON-  
18 SENTED TO THE ISSUANCE OF AN ORDER OF SUSPENSION OR PROHIBITION.  
19 IN THE EVENT OF CONSENT, OR IF UPON THE RECORD MADE AT THE HEAR-  
20 ING THE COMMISSIONER FINDS THAT ANY OF THE GROUNDS SPECIFIED IN  
21 THE NOTICE HAVE BEEN ESTABLISHED, THE COMMISSIONER MAY ISSUE AN  
22 ORDER OF SUSPENSION OR PROHIBITION FROM PARTICIPATION IN ANY  
23 CAPACITY WITH ANY LICENSEE AND TO PROHIBIT THE OFFICER, DIRECTOR,  
24 MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE FROM  
25 ENGAGING FURTHER IN BUSINESS ACTIVITIES, AS HE OR SHE CONSIDERS  
26 APPROPRIATE. THE ORDER SHALL BECOME EFFECTIVE AT THE EXPIRATION  
27 OF 30 DAYS AFTER SERVICE UPON THE LICENSEE AND THE OFFICER,

1 DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF THE  
2 LICENSEE CONCERNED EXCEPT IN THE CASE OF AN ORDER ISSUED UPON  
3 CONSENT, WHICH SHALL BECOME EFFECTIVE AT THE TIME SPECIFIED IN  
4 THE ORDER. THE ORDER SHALL REMAIN EFFECTIVE AND ENFORCEABLE  
5 EXCEPT TO THE EXTENT IT IS STAYED, MODIFIED, TERMINATED, OR SET  
6 ASIDE BY THE COMMISSIONER OR A COURT.

7 (5) WITHIN 10 DAYS AFTER ANY OFFICER, DIRECTOR, MEMBER,  
8 PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF A LICENSEE HAS BEEN SUS-  
9 PENDED OR PROHIBITED UNDER SUBSECTION (3) FROM PARTICIPATION IN  
10 ANY CAPACITY WITH ANY LICENSEE AND FROM ENGAGING FURTHER IN BUSI-  
11 NESS ACTIVITIES, THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
12 EMPLOYEE, OR AGENT MAY APPLY TO THE CIRCUIT COURT FOR THE COUNTY  
13 OF INGHAM FOR A STAY OF THE SUSPENSION OR PROHIBITION PENDING THE  
14 COMPLETION OF THE ADMINISTRATIVE PROCEEDINGS UNDER THE NOTICE  
15 SERVED UPON THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
16 EMPLOYEE, OR AGENT UNDER SUBSECTION (1), (2), OR (4).

17 (6) IF ANY OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
18 EMPLOYEE, OR AGENT OF A LICENSEE IS CHARGED IN ANY INFORMATION,  
19 INDICTMENT, WARRANT, OR COMPLAINT AUTHORIZED BY A COUNTY, STATE,  
20 OR UNITED STATES AUTHORITY WITH THE COMMISSION OF, OR PARTICIPA-  
21 TION IN, A FELONY INVOLVING DISHONESTY OR BREACH OF TRUST, THE  
22 COMMISSIONER, BY WRITTEN NOTICE SERVED UPON THE OFFICER, DIREC-  
23 TOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT MAY SUSPEND OR  
24 PROHIBIT HIM OR HER FROM PARTICIPATION IN ANY MANNER IN THE CON-  
25 DUCT OF THE AFFAIRS OF THE LICENSEE AND FROM ENGAGING FURTHER IN  
26 BUSINESS ACTIVITIES. A COPY OF THE NOTICE SHALL ALSO BE SERVED  
27 UPON THE LICENSEE. THE SUSPENSION OR PROHIBITION SHALL REMAIN IN



1 EFFECT UNTIL THE INFORMATION, INDICTMENT, WARRANT, OR COMPLAINT  
2 IS FINALLY DISPOSED OF OR UNTIL TERMINATED BY THE COMMISSIONER.  
3 IF A JUDGMENT OF CONVICTION WITH RESPECT TO THE OFFENSE IS  
4 ENTERED AGAINST THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE,  
5 EMPLOYEE, OR AGENT AND, WHEN THE JUDGMENT IS NOT SUBJECT TO FUR-  
6 THER APPELLATE REVIEW, THE COMMISSIONER MAY ISSUE AND SERVE UPON  
7 THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR  
8 AGENT AN ORDER SUSPENDING OR PROHIBITING HIM OR HER FROM PARTICI-  
9 PATION IN ANY MANNER IN THE CONDUCT OF THE AFFAIRS OF ANY  
10 LICENSEE AND FROM ENGAGING FURTHER IN BUSINESS ACTIVITIES EXCEPT  
11 WITH THE CONSENT OF THE COMMISSIONER. A COPY OF THE ORDER SHALL  
12 ALSO BE SERVED UPON THE LICENSEE, AND THE OFFICER, DIRECTOR,  
13 MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT SHALL CEASE TO BE AN  
14 OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT  
15 OF THE LICENSEE OR ENGAGE FURTHER IN BUSINESS ACTIVITIES. A  
16 FINDING OF NOT GUILTY OR OTHER DISPOSITION OF THE CHARGE SHALL  
17 NOT PRECLUDE THE COMMISSIONER FROM INSTITUTING PROCEEDINGS TO  
18 SUSPEND THE OFFICER, DIRECTOR, MEMBER, PARTNER, TRUSTEE, EMPLOY-  
19 EE, OR AGENT TO PROHIBIT FURTHER PARTICIPATION IN THE AFFAIRS OF  
20 ANY LICENSEE AND FROM ENGAGING FURTHER IN BUSINESS ACTIVITIES  
21 UNDER SUBSECTION (1), (2), OR (3).

22 SEC. 10C. (1) A HEARING PROVIDED FOR IN SECTION 10 OR 10B  
23 SHALL BE CONDUCTED IN ACCORDANCE WITH THE ADMINISTRATIVE PROCE-  
24 DURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328. THE HEAR-  
25 ING SHALL BE PRIVATE, UNLESS THE COMMISSIONER DETERMINES THAT A  
26 PUBLIC HEARING IS NECESSARY TO PROTECT THE PUBLIC INTEREST.  
27 AFTER THE HEARING AND WITHIN 90 DAYS AFTER THE COMMISSIONER HAS

1 NOTIFIED THE PARTIES THAT THE CASE HAS BEEN SUBMITTED TO HIM OR  
2 HER FOR FINAL DECISION, THE COMMISSIONER SHALL RENDER HIS OR HER  
3 DECISION, WHICH SHALL INCLUDE FINDINGS OF FACT UPON WHICH THE  
4 DECISION IS PREDICATED AND SHALL ISSUE AND SERVE UPON EACH PARTY  
5 TO THE PROCEEDING AN ORDER CONSISTENT WITH THIS SECTION.

6 (2) ANY PARTY TO THE PROCEEDING, OR ANY PERSON REQUIRED BY  
7 AN ORDER ISSUED UNDER SECTION 10 TO CEASE AND DESIST FROM ANY OF  
8 THE VIOLATIONS OR PRACTICES STATED IN THE ORDER OR TO BE SUS-  
9 PENDED OR PROHIBITED UNDER SECTION 10B FROM PARTICIPATION IN THE  
10 CONDUCT OF THE AFFAIRS OF ANY LICENSEE OR ENGAGING FURTHER IN  
11 BUSINESS ACTIVITIES, MAY OBTAIN A JUDICIAL REVIEW OF ANY ORDER  
12 SERVED UNDER SUBSECTION (1), OTHER THAN A CONSENT ORDER, WHICH  
13 REVIEW SHALL BE EXCLUSIVELY AS PROVIDED IN THE ADMINISTRATIVE  
14 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.  
15 UNLESS A PETITION FOR REVIEW IS TIMELY FILED AS PROVIDED IN THAT  
16 ACT, THE COMMISSIONER, AT ANY TIME, UPON NOTICE THAT THE COMMIS-  
17 SIONER CONSIDERS PROPER, MAY MODIFY, TERMINATE, OR SET ASIDE THE  
18 ORDER. UPON THE TIMELY FILING OF A PETITION FOR REVIEW, THE COM-  
19 MISSIONER MAY MODIFY, TERMINATE, OR SET ASIDE THE ORDER WITH THE  
20 PERMISSION OF THE COURT.

21 (3) UNLESS SPECIFICALLY ORDERED BY THE COURT, THE COMMENCE-  
22 MENT OF PROCEEDINGS FOR JUDICIAL REVIEW UNDER SUBSECTION (2)  
23 SHALL NOT OPERATE AS A STAY OF ANY ORDER ISSUED BY THE  
24 COMMISSIONER.

25 SEC. 10D. THE COMMISSIONER MAY APPLY TO THE CIRCUIT COURT  
26 OF INGHAM COUNTY FOR THE ENFORCEMENT OF ANY EFFECTIVE AND  
27 OUTSTANDING NOTICE OR ORDER ISSUED UNDER SECTION 10, 10A, OR 10B,

1 AND THE COURT SHALL HAVE JURISDICTION AND POWER TO ORDER AND  
2 REQUIRE COMPLIANCE WITH THE NOTICE. EXCEPT AS OTHERWISE PROVIDED  
3 IN THIS ACT, A COURT DOES NOT HAVE JURISDICTION TO REVIEW,  
4 MODIFY, SUSPEND, TERMINATE, OR SET ASIDE BY INJUNCTION ANY NOTICE  
5 OR ORDER ISSUED UNDER SECTION 10, 10A, OR 10B.

6 SEC. 10E. ANY CURRENT OR FORMER DIRECTOR, OFFICER, EMPLOY-  
7 EE, OR AGENT OF ANY LICENSEE OR ANY OTHER PERSON, AGAINST WHOM  
8 THERE IS OUTSTANDING AND EFFECTIVE ANY NOTICE OR FINAL ORDER  
9 UNDER SECTION 10B(1), (2), (3), OR (6), WHO PARTICIPATES IN ANY  
10 MANNER IN THE CONDUCT OF THE AFFAIRS OF THE LICENSEE INVOLVED,  
11 ENGAGES FURTHER IN BUSINESS ACTIVITIES IN THE CONDUCT OF WHICH  
12 THE VIOLATIONS OR UNSAFE AND UNSOUND PRACTICES OCCURRED, OR  
13 DIRECTLY OR INDIRECTLY SOLICITS OR PROCURES, OR TRANSFERS OR  
14 ATTEMPTS TO TRANSFER, OR VOTES OR ATTEMPTS TO VOTE, ANY PROXIES,  
15 CONSENTS, OR AUTHORIZATIONS IN RESPECT OF ANY VOTING RIGHTS IN  
16 THE LICENSEE OR WITHOUT THE PRIOR WRITTEN APPROVAL OF THE COMMIS-  
17 SIONER, VOTES FOR A DIRECTOR, SERVES OR ACTS AS A DIRECTOR, OFFI-  
18 CER, EMPLOYEE, OR AGENT OF ANY LICENSEE, SHALL BE FINED NOT MORE  
19 THAN \$5,000.00.

20 SEC. 10F. (1) AFTER A COMPLAINT IS FILED OR, AS APPLICABLE,  
21 AN INVESTIGATION OR ADMINISTRATIVE ACTION AGAINST A LICENSEE IS  
22 COMMENCED UNDER SECTION 10 OR 10B, THE COMMISSIONER MAY ISSUE AN  
23 ORDER SUMMARILY SUSPENDING THE LICENSE UNDER SECTION 92 OF THE  
24 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.292,  
25 SUPPORTED BY AN AFFIDAVIT FROM A PERSON FAMILIAR WITH THE FACTS  
26 SET FORTH IN THE AFFIDAVIT OR, IF APPROPRIATE, BASED UPON AN  
27 AFFIDAVIT ON INFORMATION THAT AN IMMINENT THREAT OF FINANCIAL

1 LOSS OR IMMINENT THREAT TO THE PUBLIC WELFARE EXISTS. THE ORDER  
2 TO SUMMARILY SUSPEND A LICENSE SHALL BE SERVED UPON THE  
3 LICENSEE.

4 (2) A LICENSEE UPON WHICH AN ORDER TO SUMMARILY SUSPEND ITS  
5 LICENSE HAS BEEN SERVED SHALL HAVE 20 DAYS AFTER THE DATE OF THE  
6 ORDER BY WHICH TO FILE WITH THE COMMISSIONER A REQUEST FOR A  
7 HEARING.

8 (3) A HEARING SHALL BE HELD PROMPTLY UPON RECEIPT OF A  
9 REQUEST FOR A HEARING FILED BY A LICENSEE UNDER SUBSECTION (2).

10 (4) A SUMMARY SUSPENSION OF A LICENSE SHALL CONTINUE UNTIL  
11 THE COMMISSIONER FINDS THAT THE IMMINENT THREAT OF FINANCIAL LOSS  
12 OR IMMINENT THREAT TO THE PUBLIC WELFARE NO LONGER EXISTS.

13 (5) THE RECORD CREATED AT THE HEARING ON THE SUMMARY SUSPEN-  
14 SION SHALL BECOME PART OF THE RECORD ON THE COMPLAINT AT A SUBSE-  
15 QUENT HEARING IN A CONTESTED CASE.

16 SEC. 10G. A SUMMARY SUSPENSION ORDER, CEASE AND DESIST  
17 ORDER, OR INJUNCTIVE RELIEF ISSUED OR GRANTED IN RELATION TO A  
18 LICENSE SHALL BE IN ADDITION TO AN INFORMAL CONFERENCE, CRIMINAL  
19 PROSECUTION, OR PROCEEDING TO DENY, REVOKE, OR SUSPEND A LICENSE,  
20 OR ANY OTHER LEGAL ACTION.

21 Sec. 11. (1) The commissioner shall annually establish a  
22 schedule of fees sufficient to pay in full the bureau's costs of  
23 administering this act. The fees are as follows:

24 ~~(a) For a new class I license or a renewal of a class I~~  
25 ~~license, not less than \$800.00 or more than \$2,500.00.~~

26 ~~(b) For a new class II license or a renewal of a class II~~  
27 ~~license, not less than \$500.00 or more than \$2,000.00.~~

1       (A) ~~(c)~~ For an application ~~investigation~~ fee, not less  
2 than \$500.00 or more than \$2,000.00. However, if an applicant  
3 has 1 or more licenses under the financial licensing acts, the  
4 ~~investigation~~ APPLICATION fee shall be not less than \$100.00 or  
5 more than \$700.00.

6       (B) ~~(d)~~ For amending OR REISSUING a license, not less than  
7 \$50.00 or more than \$100.00.

8       (C) AN ANNUAL OPERATING FEE BASED UPON THE VOLUME AND TYPES  
9 OF ACTIVITIES CONDUCTED BY THE LICENSEE DURING THE PREVIOUS CAL-  
10 ENDAR YEAR. THE ANNUAL OPERATING FEE SET BY THE COMMISSIONER  
11 UNDER THIS SUBSECTION SHALL BE BASED UPON INFORMATION IN REPORTS  
12 FILED UNDER SECTION 15.

13       (D) ~~(e) For an examination or investigation of a licensee's~~  
14 ~~records, not less than \$40.00 or more than \$70.00 per hour per~~  
15 ~~examiner involved in an examination. In addition, a~~ A licensee  
16 shall pay the actual travel, lodging, and meal expenses incurred  
17 by bureau employees who travel out of state to examine the  
18 records of OR INVESTIGATE the licensee.

19       (2) Fees received ~~pursuant to~~ UNDER this act are not  
20 refundable, EXCEPT THAT IF AN APPLICATION FOR LICENSE IS NOT  
21 APPROVED, THE BUREAU SHALL REFUND THE PREPAID ANNUAL OPERATING  
22 FEE.

23       (3) If any fees or penalties provided for in this act are  
24 not paid when required, the attorney general may maintain an  
25 action against the delinquent licensee for the recovery of the  
26 fees or penalties, together with interest and costs.

1 (4) MONEY RECEIVED UNDER THIS ACT SHALL BE PAID INTO THE  
2 STATE TREASURY AND CREDITED TO THE FINANCIAL INSTITUTIONS BUREAU  
3 FOR THE OPERATION OF THE BUREAU.

4 Sec. 12. ~~(1) A licensee under this act shall be examined~~  
5 ~~at least annually and shall pay an examination fee for examina-~~  
6 ~~tion of its records conducted by the commissioner. The examina-~~  
7 ~~tion fee shall be invoiced upon completion of the examination and~~  
8 ~~is due and payable upon receipt of the invoice by the licensee.~~  
9 ~~A licensee is not required to pay for more than 1 examination~~  
10 ~~required by this section in a calendar year.~~

11 (1) ~~(2)~~ The commissioner at any time may investigate the  
12 business ~~done in this state of any licensee under this act, and~~  
13 ACTIVITIES AS THE COMMISSIONER CONSIDERS NECESSARY, may examine  
14 the books, accounts, records, and files used and maintained by  
15 any licensee, and MAY require the licensee to furnish additional  
16 reports relating to the licensee's business. ~~In addition to the~~  
17 ~~annual fee provided for in section 11, the commissioner shall~~  
18 ~~charge the licensee an amount sufficient to cover the cost of any~~  
19 ~~investigation.~~

20 (2) ~~(3)~~ The commissioner may accept ~~an annual report and~~  
21 AN audit ~~of~~ MANAGEMENT LETTER REGARDING the affairs of any  
22 licensee under this act, if made by a certified public  
23 accountant. ~~, instead of the examination provided for in subsec-~~  
24 ~~tion (1).~~

25 Sec. 14. (1) A licensee under this act shall maintain  
26 records relating to all transactions under this act so that the  
27 commissioner may enforce compliance with this act. Records ~~kept~~

1 ~~at the licensee's principal place of business~~ shall be made  
2 available to the commissioner during normal business hours upon  
3 request. ~~or the licensee shall pay for an examiner under section~~  
4 ~~11 or 12 to go to the place where the records are kept.~~

5 (2) ~~A record of the licensee shall be preserved and kept~~  
6 ~~available for not less than 25 months after making the final~~  
7 ~~entry on any loan recorded in the record. The commissioner may~~  
8 ~~for reasonable cause order an independent audit of the records of~~  
9 ~~a licensee and the cost of the audit shall be an expense of the~~  
10 ~~licensee.~~ A LICENSEE SHALL PRESERVE AND KEEP AVAILABLE FOR EXAM-  
11 INATION BY THE COMMISSIONER EACH LOAN DOCUMENT IN ITS POSSESSION  
12 OR CONTROL, INCLUDING THE APPLICATION, CREDIT REPORT, EMPLOYMENT  
13 VERIFICATION, LOAN DISCLOSURE STATEMENT, AND SETTLEMENT STATE-  
14 MENT, UNTIL THE LOAN IS TRANSFERRED OR ASSIGNED, OR THE EXPIRA-  
15 TION OF 2 YEARS AFTER THE DATE THE LOAN IS MADE, WHICHEVER OCCURS  
16 FIRST.

17 (3) IF THE LOAN IS TRANSFERRED OR ASSIGNED, THE LICENSEE  
18 SHALL PRESERVE AND KEEP AVAILABLE FOR EXAMINATION BY THE COMMIS-  
19 SIONER, AS APPLICABLE, COPIES OF THE PROMISSORY NOTE, MORTGAGE,  
20 TRUTH-IN-LENDING DISCLOSURE STATEMENT, AND SETTLEMENT STATEMENT  
21 IN ITS POSSESSION OR CONTROL FOR 3 YEARS AFTER THE DATE THE LOAN  
22 IS TRANSFERRED OR ASSIGNED.

23 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, EACH  
24 LICENSEE SHALL PRESERVE AND KEEP AVAILABLE FOR EXAMINATION BY THE  
25 COMMISSIONER ALL DOCUMENTS PERTAINING TO A REJECTED LOAN APPLICA-  
26 TION FOR A PERIOD OF TIME REQUIRED BY STATE OR FEDERAL LAW.

1 (5) A LICENSEE SHALL PRESERVE ALL OTHER BOOKS, ACCOUNTS,  
2 RECORDS, DOCUMENTS, AND FILES PERTAINING TO THE LICENSEE'S  
3 BUSINESS AND KEEP THEM AVAILABLE FOR EXAMINATION BY THE COMMIS-  
4 SIONER FOR NOT LESS THAN 2 YEARS AFTER THE CONCLUSION OF THE  
5 FISCAL YEAR OF THE LICENSEE IN WHICH THE BOOK, ACCOUNT, RECORD,  
6 DOCUMENT, OR FILE WAS CREATED.

7 (6) ~~(3)~~ The requirements of this section shall not be con-  
8 strued to prohibit keeping records by electronic data processing  
9 methods.

10 Sec. 15. (1) A licensee shall annually on or before  
11 ~~February 15 of each year~~ A DATE ESTABLISHED BY THE COMMISSIONER  
12 file with the commissioner a report, on a form provided by the  
13 commissioner, stating the licensee's VOLUME AND TYPES OF BUSINESS  
14 activities for the immediately preceding calendar year. THE COM-  
15 MISSIONER SHALL PROVIDE AT LEAST 30 DAYS' ADVANCE NOTICE OF THE  
16 DATE EACH REPORT IS DUE.

17 (2) The fine for failure to file a report required by this  
18 act is \$25.00 for each day the report is delinquent or \$1,000.00,  
19 whichever is less. FAILURE TO FILE A REPORT REQUIRED BY THIS ACT  
20 MAY RESULT IN NONRENEWAL OF THE LICENSE BY THE COMMISSIONER.

21 Sec. 16. ~~(1)~~ Notwithstanding licensing under this act, if  
22 a licensee engaging in the issue or sale of checks ~~which~~ THAT  
23 would otherwise be subject to the sale of checks act, ~~Act~~  
24 ~~No. 136 of the Public Acts of 1960, being sections 487.901 to~~  
25 ~~487.916 of the Michigan Compiled Laws~~ 1960 PA 136, MCL 487.901  
26 TO 487.916, has refused ~~or~~ TO PAY ITS DEBTS IN THE ORDINARY  
27 COURSE OF BUSINESS, is unable to pay its obligations generally as



1 they become due, OR HAS LIABILITIES EXCEEDING ITS ASSETS or  
2 whenever it appears to the commissioner that a licensee is in an  
3 unsafe or unsound condition, the commissioner may appoint a con-  
4 servator or, with the attorney general representing the commis-  
5 sioner, may apply to the circuit court for the county in which  
6 the licensee is located for the appointment of a receiver for the  
7 licensee. The commissioner may require of the conservator ~~such~~  
8 A bond and security as the commissioner considers ~~proper~~  
9 NECESSARY.

10 ~~(2) The conservator, under the direction of the commission-~~  
11 ~~er, or the receiver, subject to the approval of the appointing~~  
12 ~~court, shall take possession of the books, records, and assets of~~  
13 ~~the licensee and shall take such action with respect to employ-~~  
14 ~~ees, agents, or representatives of the licensee or any other~~  
15 ~~action as may be necessary to conserve the assets of the licensee~~  
16 ~~or ensure payment of instruments issued by the licensee pending~~  
17 ~~further disposition of its business as provided by law. The con-~~  
18 ~~servator or receiver shall sue and defend, compromise and settle~~  
19 ~~all claims involving the licensee, and exercise such powers and~~  
20 ~~duties as may be necessary, consistent with the laws of this~~  
21 ~~state applicable to the appointment of receivers.~~

22 ~~(3) The commissioner may appoint as conservator 1 of the~~  
23 ~~employees of the bureau or some other competent and disinterested~~  
24 ~~person. The bureau shall be reimbursed out of the assets of the~~  
25 ~~conservatorship for all sums expended by it in connection with~~  
26 ~~the conservatorship. All expenses of the conservatorship shall~~  
27 ~~be paid out of the assets of the licensee, upon the approval of~~

~~1 the commissioner. The expenses shall be a first charge upon the  
2 assets and shall be fully paid before any final distribution is  
3 made.~~

~~4 (4) The conservator or receiver from time to time, but in no  
5 event less frequently than once each calendar quarter, shall  
6 report to the commissioner with respect to all acts and proceed-  
7 ings in connection with the conservatorship or receivership.~~

~~8 (5) If satisfied that it may be done safely and that it  
9 would be in the public interest, the commissioner may terminate  
10 the conservatorship or receivership and permit the licensee to  
11 resume the transaction of its business subject to such terms,  
12 conditions, restrictions, and limitations as the commissioner may  
13 prescribe.~~

14 SEC. 16A. IF THE COMMISSIONER DETERMINES THAT A LICENSEE  
15 ENGAGING IN LOAN SERVICING ACTIVITIES, INTENTIONALLY OR AS A  
16 RESULT OF GROSS OR WANTON NEGLIGENCE, IS NOT SERVICING, AS APPLI-  
17 CABLE, MORTGAGE LOANS OR SECONDARY MORTGAGE LOANS AS REQUIRED BY  
18 LAW OR BY THE TERMS OF THE SERVICING CONTRACTS, THE COMMISSIONER  
19 MAY APPOINT A CONSERVATOR FOR THE LICENSEE AND REQUIRE THE CON-  
20 SERVATOR TO PROVIDE A BOND OR SECURITY AS THE COMMISSIONER CON-  
21 SIDERS NECESSARY. ALTERNATIVELY, THE COMMISSIONER, THROUGH THE  
22 ATTORNEY GENERAL, MAY APPLY TO THE CIRCUIT COURT FOR THE COUNTY  
23 IN WHICH THE LICENSEE IS LOCATED FOR THE APPOINTMENT OF A  
24 RECEIVER FOR THE LICENSEE.

25 SEC. 16B. (1) THE CONSERVATOR, UNDER THE DIRECTION OF THE  
26 COMMISSIONER, OR THE RECEIVER, SUBJECT TO THE APPROVAL OF THE  
27 APPOINTING COURT, SHALL TAKE POSSESSION OF THE BOOKS, RECORDS,

1 AND ASSETS OF THE LICENSEE AND SHALL TAKE ACTION WITH RESPECT TO  
2 EMPLOYEES, AGENTS, OR REPRESENTATIVES OF THE LICENSEE OR ANY  
3 OTHER ACTION AS MAY BE NECESSARY TO CONSERVE THE ASSETS OF THE  
4 LICENSEE, ENSURE PAYMENT OF INSTRUMENTS ISSUED BY THE LICENSEE,  
5 OR ENSURE THAT THE MORTGAGE LOANS AND SECONDARY MORTGAGE LOANS  
6 ARE SERVICED AS REQUIRED BY APPLICABLE LAW AND THE SERVICING CON-  
7 TRACTS PENDING DISPOSITION OF ITS BUSINESS AS PROVIDED BY LAW.  
8 THE CONSERVATOR OR RECEIVER SHALL SUE AND DEFEND, COMPROMISE, AND  
9 SETTLE ALL CLAIMS INVOLVING THE LICENSEE, AND EXERCISE THE POWERS  
10 AND DUTIES AS MAY BE NECESSARY, CONSISTENT WITH THE LAWS OF THIS  
11 STATE APPLICABLE TO THE APPOINTMENT OF RECEIVERS.

12 (2) THE COMMISSIONER MAY APPOINT AS CONSERVATOR 1 OF THE  
13 EMPLOYEES OF THE BUREAU OR SOME OTHER COMPETENT AND DISINTERESTED  
14 PERSON. THE BUREAU SHALL BE REIMBURSED OUT OF THE ASSETS OF THE  
15 CONSERVATORSHIP FOR ALL SUMS EXPENDED BY IT IN CONNECTION WITH  
16 THE CONSERVATORSHIP. ALL EXPENSES OF THE CONSERVATORSHIP SHALL  
17 BE PAID OUT OF THE ASSETS OF THE LICENSEE, UPON APPROVAL OF THE  
18 COMMISSIONER. THE EXPENSES SHALL BE A FIRST CHARGE UPON THE  
19 ASSETS AND SHALL BE FULLY PAID BEFORE ANY FINAL DISTRIBUTION OR  
20 PAYMENT OF DIVIDENDS IS MADE TO CREDITORS OR SHAREHOLDERS.

21 (3) THE CONSERVATOR OR RECEIVER APPOINTED UNDER SECTION 16  
22 OR SECTION 16A FROM TIME TO TIME, BUT IN NO EVENT LESS FREQUENTLY  
23 THAN ONCE EACH CALENDAR QUARTER, SHALL REPORT TO THE COMMISSIONER  
24 WITH RESPECT TO ALL ACTS AND PROCEEDINGS IN CONNECTION WITH THE  
25 CONSERVATORSHIP OR RECEIVERSHIP.

26 (4) THE CONSERVATOR, UNDER THE DIRECTION OF THE  
27 COMMISSIONER, SHALL TAKE SOLE CONTROL OF ALL OF THE AFFAIRS OF

1 THE LICENSEE AND THE POSSESSION OF THE BOOKS AND RECORDS OF THE  
2 LICENSEE. THE LICENSEE MAY TRANSFER OR ASSIGN THE RIGHTS TO  
3 SERVICE MORTGAGE LOANS OR SECONDARY MORTGAGE LOANS TO A PERSON  
4 APPROVED BY THE COMMISSIONER. THE CONSERVATOR OF THE LICENSEE  
5 SHALL TAKE ACTION AS MAY BE NECESSARY TO ASSURE THAT THE MORTGAGE  
6 LOANS AND SECONDARY MORTGAGE LOANS ARE SERVICED AS REQUIRED BY  
7 APPLICABLE LAW AND THE SERVICING CONTRACTS.

8 (5) IF SATISFIED THAT IT MAY BE DONE SAFELY AND THAT IT  
9 WOULD BE IN THE PUBLIC INTEREST, THE COMMISSIONER MAY TERMINATE  
10 THE CONSERVATORSHIP ESTABLISHED UNDER SECTION 16 OR SECTION 16A  
11 AND PERMIT THE LICENSEE TO RESUME THE TRANSACTION OF ITS BUSINESS  
12 SUBJECT TO THOSE TERMS, CONDITIONS, RESTRICTIONS, AND LIMITATIONS  
13 AS THE COMMISSIONER MAY PRESCRIBE. ALTERNATIVELY, THE COMMIS-  
14 SIONER, IN HIS OR HER DISCRETION, MAY PERMIT, UNDER SECTION 16 OR  
15 SECTION 16A, THE LICENSEE TO CONTINUE TO CONDUCT 1 OR MORE BUSI-  
16 NESS ACTIVITIES SUBJECT TO THOSE TERMS, CONDITIONS, RESTRICTIONS,  
17 AND LIMITATIONS AS THE COMMISSIONER MAY PRESCRIBE.

18 (6) IF THE COMMISSIONER DETERMINES THAT IT WOULD BE IN THE  
19 PUBLIC INTEREST, THE COMMISSIONER MAY TERMINATE A CONSERVATORSHIP  
20 ESTABLISHED UNDER SECTION 16 OR SECTION 16A AND MAY APPLY TO THE  
21 CIRCUIT COURT FOR THE COUNTY IN WHICH THE LICENSEE IS LOCATED FOR  
22 THE APPOINTMENT OF A RECEIVER FOR THE LICENSEE AS PROVIDED IN  
23 SECTION 16 OR SECTION 16A.

24 (7) FUNDS RECEIVED FOR PAYMENT OF THE BUREAU'S EXPENSES  
25 INCURRED IN CONNECTION WITH A CONSERVATORSHIP AND ALL EXPENSES  
26 FOR STATE SUPERVISION OF CONSERVATORSHIPS UNDER THIS ACT SHALL BE  
27 DEPOSITED IN THE STATE TREASURY AND USED TO REIMBURSE THE BUREAU

1 FOR EXPENSES INCURRED IN CONNECTION WITH CONSERVATORSHIPS OF  
2 LICENSEES.

3       Sec. 17. ~~-(1)~~ A licensee under this act is prohibited from  
4 engaging in the following activities OR PRACTICES:

5       ~~-(a) The business of a real estate broker or real estate~~  
6 ~~salesperson licensed under article 25 of the occupational code,~~  
7 ~~Act No. 299 of the Public Acts of 1980, being sections 339.2501~~  
8 ~~to 339.2515 of the Michigan Compiled Laws.~~

9       (A) ~~-(b)~~ The business of a pawnbroker licensed under ~~Act~~  
10 ~~No. 273 of the Public Acts of 1917, being sections 446.201 to~~  
11 ~~446.219 of the Michigan Compiled Laws~~ 1917 PA 273, MCL 446.201  
12 TO 446.219.

13       (B) ~~-(c)~~ The business of a debt management company licensed  
14 under the debt management act, ~~Act No. 148 of the Public Acts of~~  
15 ~~1975, being sections 451.411 to 451.437 of the Michigan Compiled~~  
16 ~~Laws~~ 1975 PA 148, MCL 451.411 TO 451.437.

17       (C) ~~-(2) A licensee is prohibited from entering~~ ENTERING  
18 into a tying arrangement whereby the licensee conditions the sale  
19 of 1 financial service to a consumer on the agreement by the con-  
20 sumer to purchase 1 or more other financial services from the  
21 licensee, an affiliate, or subsidiary of the licensee.

22       (D) PERMITTING AN INDIVIDUAL AGAINST WHOM AN ORDER HAS BEEN  
23 ISSUED PROHIBITING FURTHER PARTICIPATION IN ANY CAPACITY WITH ANY  
24 LICENSEE TO BECOME OR REMAIN ASSOCIATED WITH THE LICENSEE IF THE  
25 LICENSEE KNEW OR SHOULD HAVE KNOWN OF THE ORDER.

1           Sec. 19. This act shall not be construed to impair or  
2 affect the obligation of any PARTY TO A contract entered into  
3 under a provision of the financial licensing acts.

4           Enacting section 1. Section 13 of the consumer financial  
5 services act, 1988 PA 161, MCL 487.2063, is repealed.