

Act No. 46  
Public Acts of 2007  
Approved by the Governor  
July 17, 2007  
Filed with the Secretary of State  
July 17, 2007  
EFFECTIVE DATE: July 17, 2007

**STATE OF MICHIGAN  
94TH LEGISLATURE  
REGULAR SESSION OF 2007**

**Introduced by Senators Richardville, Hardiman, Hunter, Cherry, Gleason, Stamas, Allen, Thomas, Olshove,  
Kuipers, McManus, Cassis, Van Woerkom, Garcia and Barcia**

# **ENROLLED SENATE BILL No. 290**

AN ACT to amend 1981 PA 125, entitled "An act to regulate secondary mortgage loans; to prescribe powers and duties of certain state agencies and officials; to require certain fees; to provide for the establishment of a revolving fund; to provide for the promulgation of rules; and to prescribe civil fines and penalties," by amending section 2 (MCL 493.52), as amended by 1997 PA 91.

*The People of the State of Michigan enact:*

Sec. 2. (1) A person shall not act as a broker, lender, or servicer without first obtaining a license or registering under this act, unless 1 or more of the following apply:

- (a) The person is solely performing services as an employee of only 1 broker, lender, or servicer.
- (b) The person is an exclusive broker.
- (c) The person is licensed under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072.
- (d) The person acts as a lender but makes or negotiates 2 or fewer secondary mortgage loans in a calendar year.
- (e) The person acts as a servicer but services 10 or fewer secondary mortgage loans in a calendar year.

(f) The person is an individual and an employee of a professional employer organization, as that term is defined in section 4 of the single business tax act, 1975 PA 228, MCL 208.4, solely acting as a secondary mortgage loan originator of only 1 broker or lender. The broker or lender shall do all of the following:

(i) Direct and control the activities of the individual under this act.

(ii) Be responsible for all activities of the individual and assume responsibility for the individual's actions that are covered by the proof of financial responsibility deposit required under section 6.

(2) By October 31, 1997, a servicer that was exempt from regulation under this act shall either file with the commissioner an application for a license or registration under section 3 or discontinue all activities subject to this act.

(3) Except for a state or nationally chartered bank, savings bank, or an affiliate of a bank or savings bank, a person subject to this act shall not include in its name or assumed name the words "bank", "banker", "banc", "bankcorp", "bancorp", or any other words or phrases that would imply that the person is a bank, is engaged in the business of banking, or is affiliated with a bank or savings bank. It is not a violation of this subsection for a licensee to use the term "mortgage banker" or "mortgage banking" in its name or assumed name.

(4) A person subject to this act whose name or assumed name on January 1, 1997 contained a word prohibited by subsection (3) may continue to use that name or assumed name.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Richard J. Brown*

Clerk of the House of Representatives

Approved .....

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Governor