

# HOUSE BILL No. 5593

May 20, 2014, Introduced by Rep. Pettalia and referred to the Committee on Financial Services.

A bill to amend 2009 PA 75, entitled "Mortgage loan originator licensing act," by amending section 5 (MCL 493.135), as amended by 2012 PA 150.

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

1           Sec. 5. (1) Unless specifically exempted under subsection (2),  
2 beginning July 31, 2010, an individual shall not engage in the  
3 business of a mortgage loan originator with respect to any dwelling  
4 located in this state without first obtaining and maintaining  
5 annually a license under this act. Each licensed mortgage loan  
6 originator must register with and maintain a valid unique  
7 identifier issued by the nationwide mortgage licensing system and  
8 registry.

9           (2) Each of the following is exempt from this act:

10           (a) A registered mortgage loan originator, when acting for an

1 entity described in section 3(s)(i)(A), (B), or (C).

2 (b) An individual who offers or negotiates terms of a  
3 residential mortgage loan with or on behalf of an immediate family  
4 member of that individual.

5 (c) An individual who offers or negotiates terms of a  
6 residential mortgage loan secured by a dwelling that served as his  
7 or her residence.

8 (d) A licensed attorney who negotiates the terms of a  
9 residential mortgage loan on behalf of a client as an ancillary  
10 matter to the attorney's representation of the client, unless the  
11 attorney is compensated by a lender, mortgage broker, or other  
12 mortgage loan originator or by any agent of a lender, mortgage  
13 broker, or other mortgage loan originator.

14 (3) A loan processor or underwriter who is an independent  
15 contractor may not engage in the activities of a loan processor or  
16 underwriter unless that independent contractor loan processor or  
17 underwriter obtains and maintains a license under subsection (1).  
18 Each independent contractor loan processor or underwriter licensed  
19 as a mortgage loan originator must have and maintain a valid unique  
20 identifier issued by the nationwide mortgage licensing system and  
21 registry.

22 (4) The ~~commissioner~~**DIRECTOR** may establish licensing rules  
23 and interim procedures for licensing and acceptance of  
24 applications. For previously registered or licensed individuals,  
25 the ~~commissioner~~**DIRECTOR** may establish expedited review and  
26 licensing procedures.

27 **(5) A LICENSED MORTGAGE LOAN ORIGINATOR MAY ORIGINATE A**

1 RESIDENTIAL MORTGAGE LOAN IN THIS STATE ON BEHALF OF THE SPONSOR OF  
2 THE LICENSEE OR ON BEHALF OF A DEPOSITORY INSTITUTION.

3 (6) AS USED IN THIS SECTION, "DIRECTOR" MEANS THE DIRECTOR OF  
4 THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES.