

RESTRICT LOAN REFERRAL FEES

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Senate Bill 238 as passed by the Senate
Sponsor: Sen. Darwin L. Booher
House Committee: Financial Services
Senate Committee: Banking and Financial Services
Complete to 10-17-17

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 238 would amend the Regulatory Loan Act to prohibit a licensee from paying someone a fee for locating a potential borrower for or introducing or referring a potential borrow to the licensee unless both of the following:

- The potential borrower is not directly or indirectly charged for all or any part of the fee if he or she entered into a loan with the licensee, and
- The fee does not exceed \$500.

Currently, the Regulatory Loan Act prohibits a licensee from advertising any false, misleading, or deceptive statements regarding rates, terms or conditions for lending money, credit, or goods. The Act also prohibits a person from making loans and charging a greater rate of interest, or consideration than the lender would be allowed to charge if it were not licensed under the Act.

MCL 493.12

FISCAL IMPACT:

Senate Bill 238 would not have a fiscal impact on any units of state or local government.

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