



**Senate Fiscal Agency**  
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**BILL ANALYSIS**

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Senate Bill 238 (as reported without amendment)  
Sponsor: Senator Darwin L. Booher  
Committee: Banking and Financial Services

**CONTENT**

The bill would amend the Regulatory Loan Act to prohibit a licensee from paying a person a fee for locating a potential borrower for the licensee or referring a potential borrower to the licensee unless the potential borrower was not charged the fee if he or she entered into the loan with the licensee, and the amount of the fee did not exceed \$500.

The Act generally prohibits a person from engaging in the business of making loans of money, credit, or goods and charging or receiving on the loan a greater rate of interest or consideration than the lender would be permitted to charge if it were not a licensee under the Act and without first obtaining a license from the Department of Insurance and Financial Services.

The Act prohibits licensees from engaging in certain conduct, such as advertising, publishing, distributing, or broadcasting a false, misleading, or deceptive statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or discriminating against a person in the extension of credit on the basis of sex or marital status.

In addition, the bill would prohibit a licensee from paying a person a fee for locating a potential borrower for the licensee or introducing or referring a potential borrower to the licensee unless the potential borrower was not directly or indirectly charged for all or any part of the fee if he or she entered into the loan with the licensee, and the amount of the fee did not exceed \$500.

MCL 493.12

Legislative Analyst: Stephen Jackson

**FISCAL IMPACT**

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

Date Completed: 3-29-17

Fiscal Analyst: Josh Sefton