

# SENATE BILL No. 238

March 14, 2017, Introduced by Senator BOOHER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1939 PA 21, entitled  
"Regulatory loan act,"  
by amending section 12 (MCL 493.12), as amended by 2002 PA 393.

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

1           Sec. 12. (1) A licensee or other person shall not advertise,  
2 print, display, publish, distribute, or broadcast or cause or  
3 permit to be advertised, printed, displayed, published,  
4 distributed, or broadcast, in any manner whatsoever a false,  
5 misleading, or deceptive statement or representation with regard to  
6 the rates, terms, or conditions for the lending of money, credit,  
7 goods, or things in action.

8           (2) A licensee shall not take a lien ~~upon~~ **ON** real estate as  
9 security for a loan made under this act, except a lien acquired by  
10 execution or otherwise after the entry of a judgment.

11           (3) A licensee shall not take a confession of judgment or a

1 power of attorney to appear or to confess judgment on behalf of a  
2 borrower. A licensee shall not take a note or evidence of  
3 indebtedness that does not accurately disclose the actual amount of  
4 the loan, the time for which it is made, and the agreed rate of  
5 charge, or an instrument in which blanks are left to be filled in  
6 after execution.

7 (4) A licensee shall not discriminate against ~~a person~~ **AN**  
8 **INDIVIDUAL** in the extension of credit on the basis of sex or  
9 marital status.

10 (5) Except as provided under section 9g, a licensee shall not  
11 knowingly permit a person to violate an order that ~~has been~~ **IS**  
12 issued under this act or any other financial licensing act that  
13 prohibits that ~~person~~ **INDIVIDUAL** from being employed by, an agent  
14 of, or a control person of the licensee.

15 (6) **A LICENSEE SHALL NOT PAY A PERSON A FEE FOR LOCATING A**  
16 **POTENTIAL BORROWER FOR THE LICENSEE OR INTRODUCING OR REFERRING A**  
17 **POTENTIAL BORROWER TO THE LICENSEE UNLESS BOTH OF THE FOLLOWING ARE**  
18 **MET:**

19 (A) **THE POTENTIAL BORROWER IS NOT DIRECTLY OR INDIRECTLY**  
20 **CHARGED FOR ALL OR ANY PART OF THE FEE IF HE OR SHE ENTERS INTO A**  
21 **LOAN WITH THE LICENSEE.**

22 (B) **THE AMOUNT OF THE FEE DOES NOT EXCEED \$500.00.**

23 Enacting section 1. This amendatory act takes effect 90 days  
24 after the date it is enacted into law.