

Act No. 171  
Public Acts of 2017  
Approved by the Governor  
November 20, 2017  
Filed with the Secretary of State  
November 21, 2017  
EFFECTIVE DATE: February 19, 2018

**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2017**

Introduced by Senator Booher

# **ENROLLED SENATE BILL No. 238**

AN ACT to amend 1939 PA 21, entitled "An act to define and regulate the business of making regulatory loans; to permit the licensing of persons engaged in that business; to provide for the administration of this act and for the promulgation of rules; and to prescribe penalties," by amending section 12 (MCL 493.12), as amended by 2002 PA 393.

*The People of the State of Michigan enact:*

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

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

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

(4) A licensee shall not discriminate against an individual in the extension of credit on the basis of sex or marital status.

(5) Except as provided under section 9g, a licensee shall not knowingly permit a person to violate an order that is issued under this act or any other financial licensing act that prohibits that individual from being employed by, an agent of, or a control person of the licensee.

(6) A licensee shall not pay a person a fee for locating a potential borrower for the licensee or introducing or referring a potential borrower to the licensee unless both of the following are met:

(a) The potential borrower is not directly or indirectly charged for all or any part of the fee if he or she enters into a loan with the licensee.

(b) The amount of the fee does not exceed \$500.00.

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

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Governor