

DEBT MANAGEMENT ACT (EXCERPT)
Act 148 of 1975

451.416 License; investigation; grounds for issuance or nonissuance; evidence of certification as certified counselor.

Sec. 6.

(1) If it receives a license application under this act and approves the fees and surety bond, the department shall investigate the applicant's responsibility, experience, character, and general fitness. If the result of the investigation warrants a belief that the applicant will operate the business fairly, honestly, and as required under this act, the department shall issue a license. The investigation of the applicant shall at least include investigation of the following as applicable:

- (a) If the applicant is a corporation, its officers and directors.
 - (b) If the applicant is a partnership, its partners.
 - (c) If the applicant is an association, its officers.
 - (d) If the applicant is a limited liability company, its manager or managers.
 - (e) If the applicant is any other legal entity, its manager or other person designated to control the operation of that legal entity.
- (2) The department shall not issue a license if the investigation reveals 1 or more of the following:
- (a) That an individual investigated under subsection (1) meets any of the following:
 - (i) Was ever convicted of a crime involving moral turpitude including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense.
 - (ii) Violated or failed to comply with this act or a rule promulgated under this act.
 - (iii) Had a license to engage in the business of debt management revoked or suspended for any reason other than failure to pay licensing fees in this state or another state.
 - (iv) Defaulted in the payment of money collected for others, including the discharge of debts through bankruptcy proceedings. The director may, in his or her discretion, waive this restriction if provided with evidence of justifiable cause for the bankruptcy, plus convincing evidence of the fitness of the bankrupt party to carry out his or her functions under this act.
 - (b) An individual applicant is not at least 18 years of age and a citizen of the United States.
 - (c) An applicant that is a partnership, corporation, limited liability company, association, or other legal entity required by statute to obtain authority to do business in this state has not been granted authority to do business in this state.
 - (d) The applicant is an employee or owner of a collection agency as defined in section 901 of the occupational code, 1980 PA 299, MCL 339.901, or process serving business or in any manner is affiliated with a collection agency or process serving business. The director may, in his or her discretion, waive this restriction on a showing of sufficient safeguards in the operation of the collection agency.
- (3) If an applicant is an individual, the applicant must provide evidence to the director that the applicant is certified as a certified counselor before the director grants a license to the applicant under this act. If an applicant is a person that is not an individual, each counselor who is employed by that person shall become a certified counselor within the first 180 days of his or her employment.

History: 1975, Act 148, Eff. Mar. 31, 1976 ;-- Am. 2000, Act 255, Imd. Eff. June 29, 2000 ;-- Am. 2014, Act 362, Eff. Mar. 16, 2015

Compiler's Notes: For transfer of statutory authority, powers, duties, and functions of the corporations, securities and land development bureau to the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.