

CONSUMER FINANCIAL SERVICES ACT (EXCERPT)
Act 161 of 1988

***** 487.2059.amended THIS AMENDED SECTION IS EFFECTIVE JULY 31, 2010 *****

487.2059.amended Compliance; exemption of licensee from certain provisions of financial licensing acts; purchase of certain contracts; loans; employment of individual as loan officer to originate mortgage loans or secondary mortgage loan officer to originate secondary mortgage loans; "employ" defined.

Sec. 9. (1) Except as otherwise provided in subsection (2), a licensee under this act shall comply with all of the requirements of the financial licensing acts.

(2) A licensee under this act is exempt from provisions of the financial licensing acts regulating any of the following:

- (a) Application procedures.
- (b) Licensing procedures.
- (c) Payment of fees by the licensee.
- (d) Filing of surety bonds.
- (e) Denial, suspension, or revocation of a license.
- (f) Retention of records.
- (g) Filing of reports.

(3) A licensee may purchase a contract made in compliance with the retail installment sales act, 1966 PA 224, MCL 445.851 to 445.873, or the home improvement finance act, 1965 PA 332, MCL 445.1101 to 445.1431.

(4) A licensee may have 1 or more loans outstanding to 1 borrower, but no single loan transaction shall violate the financial licensing act which regulates the type of loan transaction.

(5) A licensee acting as a mortgage broker or mortgage lender shall not employ or engage an individual as a loan officer to originate mortgage loans unless he or she is a licensed loan officer. As used in this subsection, "licensed loan officer", "loan officer", "originate", "mortgage broker", and "mortgage lender" mean those terms as defined in section 1a of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651a.

(6) A licensee acting as a broker or lender shall not employ or engage an individual as a secondary mortgage loan officer to originate secondary mortgage loans unless he or she is a licensed secondary mortgage loan officer. As used in this subsection, "broker", "lender", "licensed secondary mortgage loan officer", "originate", and "secondary mortgage loan officer" mean those terms as defined in section 1 of the secondary mortgage loan act, 1981 PA 125, MCL 493.51.

(7) As used in this section, "employ" means an engagement of an individual by a licensee that meets both of the following:

- (a) Is acknowledged by the licensee and individual as an employment relationship.
- (b) The licensee treats the individual as an employee for compliance with federal income tax laws.

History: 1988, Act 161, Eff. Sept. 1, 1988;—Am. 1999, Act 275, Imd. Eff. Jan. 5, 2000;—Am. 2009, Act 12, Imd. Eff. Apr. 9, 2009;—Am. 2009, Act 78, Eff. July 31, 2010.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and 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.