



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bills 1283, 1284, and 1285 (as introduced 9-19-12)

(as enrolled)

Sponsor: Senator Mike Green (S.B. 1283)

Senator Mike Nofs (S.B. 1284)

Senator Jim Marleau (S.B. 1285)

Committee: Banking and Financial Institutions

Date Completed: 9-21-12

CONTENT

The bills would amend the definition of "mortgage loan" in several statutes that regulate mortgage lenders and mortgage lending practices, to exclude a loan transaction in which the proceeds are not used primarily for a personal, family, or household purpose.

Senate Bill 1283 would amend the Mortgage Brokers, Lenders, and Servicers Licensing Act, which provides for the licensure or registration of mortgage brokers, lenders, and servicers. That Act defines "mortgage loan" as a loan secured by a first mortgage on real property, or a land contract covering real property, located in this State and used, or improved for use, as a dwelling and designed for occupancy by four or fewer families.

Senate Bill 1284 would amend the Consumer Mortgage Protection Act, which regulates the practice of making mortgage loans, and prohibits lenders from engaging in certain conduct. The Act defines "mortgage loan" as a loan or home improvement installment contract secured by a first or subordinate mortgage or any other form of lien or a land contract covering real property located in this State that is used as the borrower's principal residence and is designed for occupancy by four or fewer families.

Senate Bill 1285 would amend Public Act 135 of 1977, which prohibits certain mortgage lending practices by credit granting institutions (including practices known as redlining). The Act defines "mortgage loan" as a loan secured by a mortgage on real property designed for occupancy by four or fewer families, including an individual unit of a condominium or cooperative, a refinancing of an existing mortgage loan on real property designed for occupancy by four or fewer families involving an increase in the outstanding balance of the principal due, or a loan secured by a junior lien on real property designed for occupancy by four or fewer families undertaken for any purpose.

MCL 445.1651a (S.B. 1283)

445.1632 (S.B. 1284)

445.1601 (S.B. 1285)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.