

REGULATORY LOAN ACT

Senate Bill 489 (Substitute H-1)
Sponsor: Sen. Bill Bullard, Jr.

Addendum to SFA Analysis (10-18-01)

**Senate Committee: Banking and
Financial Institutions**
**House Committee: Insurance and
Financial Services**

ADDENDUM TO SENATE FISCAL AGENCY ANALYSIS OF SB 489 DATED 7-12-01:

HOUSE COMMITTEE ACTION:

The Insurance and Financial Services Committee adopted a substitute that incorporated several committee amendments. The amendments would:

- Delete a provision that allows an applicant for a license under the Regulatory Loan Act who applies after June 30 to pay the investigation fee and one-half of the annual operating fee.
- Increase the investigation fee required by license applicants from not less than \$200 or more than \$600 to not less than \$250 or more than \$1,000.
- Increase the fee for amending a license from not less than \$25 or more than \$75 to not less than \$50 or more than \$100.
- Increase the penalty for late filing of a required annual report detailing the licensee's volume and type of business activities for the preceding year. Penalties would be increased from \$25 per day the report was late or \$1,000, whichever was less, to a penalty of \$50 per day or \$5,000, whichever was less.
- Allow either the attorney general or commissioner of the Office of Insurance and Financial Services to bring an action against a licensee for false advertising and to be able to petition a court for recovery of a civil penalty.
- Require a licensee to notify a borrower within 30 days -- instead of "within a reasonable time" -- of any sums advanced (and any additional charges, changes in the payment schedule, etc.) under a provision that would allow a licensee to pay for the performance of certain duties on behalf of a borrower if the borrower failed to perform those duties.

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POSITIONS:

The Michigan Financial Services Association supports the bill. (10-17-01)

The Office of Financial and Insurance Services (OFIS) does not oppose the bill. (10-17-01)

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.