

## REGULATE MORTGAGE LOAN OFFICERS

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**House Bill 4596 (Substitute H-2)**

**Sponsor: Rep. Shanelle Jackson**

**Committee: Banking and Financial Services**

**Complete to 2-11-08**

## A SUMMARY OF HOUSE BILL 4596 AS REPORTED FROM COMMITTEE 1-31-08

The bill would amend the Mortgage Brokers, Lenders, and Servicers Licensing Act (MCL 445.1656 et al.). According to the Office of Financial and Insurance Services (OFIS), the licensing periods contained in the act need to be revised in order for OFIS to participate in the National Mortgage Licensing System.

The bill would revise various time periods listed in the act as follows:

- The 12-month period from July 1 to June 30, pertaining to whether a broker needed to be licensed based on the number of mortgage loans made, or the aggregate number of mortgages with affiliated real estate sales persons, in that period, would be changed to January 1 to December 31.
- The expiration date of licenses or registrations issued under the act would be December 31 of each year, instead of June 30. Renewal applications and fees would have to be received by OFIS by December 15 of each year, instead of June 15. A renewal fee not received by December 15, instead of June 30, would subject the licensee or registrant to a fine.
- The 12-month period upon which operating fees are based would be the 12-month period between July 1 of the preceding calendar year and June 30 of the current calendar year (instead of during the previous calendar year) for the number of closed mortgage loans brokered to other parties; for the dollar volume of loans serviced by the licensee or registrant, the period would be as of June 30 of the current calendar year instead of the period as of December 31 of the previous calendar year.
- The 12-month period from July 1 to June 30, pertaining to whether certain individuals are exempted from regulation under the act (based on the number of mortgages or the number of mortgages serviced during that period) would be changed to January 1 to December 31.

**FISCAL IMPACT:**

Shifting the license period would reduce FY 2008 consumer finance fee revenue (mortgage broker, lender, and servicer operating fees). The decrease would be covered by the existing fund balance.

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