

SUBSTITUTE FOR
HOUSE BILL NO. 5290

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
by amending sections 11 and 12 (MCL 445.1661 and 445.1662), section
11 as amended by 2002 PA 391.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) The commissioner shall exercise general
2 supervision and control over mortgage brokers, mortgage lenders,
3 and mortgage servicers doing business in this state **AND LOAN**
4 **OFFICERS ORIGINATING MORTGAGE LOANS IN THIS STATE.**

5 (2) In addition to the other powers granted to the
6 commissioner by this act, the commissioner shall have all of the
7 following powers:

8 (a) To promulgate reasonable rules under the administrative

1 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as
 2 necessary to implement and administer this act.

3 (b) To deny an application for a license, **REGISTRATION, OR**
 4 **LOAN OFFICER REGISTRATION.**

5 (c) To conduct examinations and investigations of any person
 6 as necessary for the efficient enforcement of this act and the
 7 rules promulgated under this act.

8 (d) To advise the attorney general or the prosecuting attorney
 9 of ~~the~~**A** county in which ~~the business is conducted~~**A MORTGAGE**
 10 **BROKER, MORTGAGE LENDER, OR MORTGAGE SERVICER IS CONDUCTING**
 11 **BUSINESS OR IN WHICH A LOAN OFFICER RESIDES** that the commissioner
 12 believes a licensee, registrant, ~~or~~**LOAN OFFICER REGISTRANT, OR**
 13 **OTHER** person is violating this act. The attorney general or
 14 prosecuting attorney may take appropriate legal action to enjoin
 15 the operation of the business **OF THE MORTGAGE BROKER, MORTGAGE**
 16 **LENDER, OR MORTGAGE SERVICER OR THE ORIGINATING OF MORTGAGES BY THE**
 17 **LOAN OFFICER** or prosecute violations of this act.

18 (e) To bring an action in the Ingham county circuit court in
 19 the name and on behalf of this state against ~~the~~**A** licensee,
 20 registrant, **LOAN OFFICER REGISTRANT**, or any other person who is
 21 participating in, or about to participate in, any unsafe or
 22 injurious practice or act in violation of this act or a rule
 23 promulgated under this act, to enjoin the person from participating
 24 in or continuing the practice or engaging in the act.

25 (f) To order a person to cease and desist from a violation of
 26 this act or a rule promulgated under this act ~~in accordance with~~
 27 **UNDER** section 16.

1 (g) To suspend or revoke a license, ~~or REGISTRATION, OR LOAN~~
 2 ~~OFFICER~~ registration ~~in accordance with UNDER~~ section 29.

3 (h) To require that restitution be made ~~in accordance with~~
 4 ~~UNDER~~ section 29.

5 (i) To assess a civil fine ~~in accordance with UNDER~~ section
 6 29.

7 (j) To censure a licensee, ~~or REGISTRANT, OR LOAN OFFICER~~
 8 registrant.

9 (k) To issue an order to prohibit a person from being employed
 10 by, an agent of, or control person of a licensee or registrant ~~as~~
 11 ~~provided~~ under section 18a.

12 Sec. 12. (1) ~~Notice~~ **THE COMMISSIONER SHALL GIVE NOTICE** to a
 13 licensee, ~~or registrant, OR LOAN OFFICER REGISTRANT~~ of intention to
 14 enter an order ~~of SUSPENDING OR REVOKING THAT PERSON'S~~ license, ~~or~~
 15 registration, ~~suspension or revocation OR LOAN OFFICER~~
 16 **REGISTRATION**, or notice to an applicant of a refusal to issue a
 17 license, ~~shall be given REGISTRATION, OR LOAN OFFICER REGISTRATION,~~
 18 in writing, ~~—~~ **AND** served personally or sent by certified mail to the
 19 licensee, registrant, **LOAN OFFICER REGISTRANT**, or applicant.

20 (2) Within 20 days after the notice of the intention to enter
 21 an order ~~of SUSPENDING OR REVOKING A~~ license, ~~or registration,~~
 22 ~~suspension or revocation OR LOAN OFFICER REGISTRATION~~, or a refusal
 23 to issue a license, ~~or registration, OR LOAN OFFICER REGISTRATION~~
 24 under subsection (1), the licensee, registrant, **LOAN OFFICER**
 25 **REGISTRANT**, or applicant may request a hearing to contest the order
 26 or refusal. If a hearing regarding suspension or revocation is not
 27 requested, the commissioner shall enter a final order regarding the

1 suspension or revocation. A hearing shall be conducted ~~in~~
2 ~~accordance with~~ **UNDER** the provisions of the administrative
3 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
4 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws 1969~~
5 **PA 306, MCL 24.201 TO 24.328.**

6 Enacting section 1. This amendatory act does not take effect
7 unless all of the following bills of the 94th Legislature are
8 enacted into law:

- 9 (a) Senate Bill No. 826.
10 (b) Senate Bill No. 827.
11 (c) Senate Bill No. 828.
12 (d) Senate Bill No. 829.
13 (e) Senate Bill No. 830.
14 (f) Senate Bill No. 831.
15 (g) Senate Bill No. 832.
16 (h) Senate Bill No. 833.
17 (i) House Bill No. 5287.
18 (j) House Bill No. 5288.
19 (k) House Bill No. 5289.
20 (l) House Bill No. 5291.