

SUBSTITUTE FOR  
SENATE BILL NO. 830

A bill to amend 1987 PA 173, entitled  
"Mortgage brokers, lenders, and servicers licensing act,"  
by amending section 8 (MCL 445.1658), as amended by 1996 PA 210.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 8. (1) At the time of making an initial application for a  
2 license under this act, and at the time of making the first  
3 application for a license after the suspension or revocation of a  
4 license, ~~the~~**AN** applicant **FOR LICENSURE UNDER THIS ACT** shall pay to  
5 the commissioner a fee for investigating the applicant and the  
6 minimum annual operating fee established by the commissioner ~~under~~  
7 **IN** subsection (3). To renew a license that ~~has not been~~**IS NOT**  
8 suspended or revoked, the applicant shall only pay to the  
9 commissioner the annual operating fee **ESTABLISHED IN SUBSECTION**  
10 **(3)**. At the time of filing a registration or a renewal of a  
11 registration, a registrant shall pay to the commissioner an annual

1 operating fee ~~as provided by~~ **ESTABLISHED IN** subsection (3).

2 (2) If ~~the~~ **AN** initial or renewed license or registration ~~as~~  
3 ~~provided~~ **DESCRIBED** in subsection (1) ~~would~~ **WILL** have an effective  
4 date within 6 months of the expiration date ~~provided for~~ **DESCRIBED**  
5 in section 7, the initial or renewal annual operating fee for that  
6 license or registration ~~shall be~~ **IS** 1/2 of the annual operating  
7 fee.

8 (3) The commissioner shall annually establish ~~the~~ **A** schedule  
9 of fees **THAT ARE** sufficient to pay, but not to exceed, the ~~bureau's~~  
10 **OFFICE OF FINANCIAL AND INSURANCE SERVICES'** reasonably anticipated  
11 costs of administering **AND ENFORCING** this act. ~~The~~ **SUBJECT TO**  
12 **SUBSECTION (2), THE** fees are as follows:

13 (a) For the investigation of an applicant for a license, **A FEE**  
14 **OF** not less than \$400.00 or more than \$1,000.00.

15 (b) Except as set forth in subdivision (c), a licensee or  
16 registrant annually shall pay an operating fee based upon the  
17 number of closed mortgage loans the licensee or registrant brokered  
18 to other parties, the number of mortgage loans closed by the  
19 licensee or registrant during the previous calendar year, and the  
20 dollar volume of loans serviced by the licensee or registrant as of  
21 December 31 of the previous calendar year. ~~The~~ **IN THE 1-YEAR PERIOD**  
22 **BEGINNING JULY 2, 1996, THE** operating fee ~~during the first year~~  
23 ~~after enactment of this amendatory language~~ shall be not less than  
24 \$250.00 and not more than \$2,500.00. ~~Thereafter~~ **BEGINNING JULY 2,**  
25 **1997,** in the discretion of the commissioner, subject to the  
26 limitation set forth in this subsection, the **COMMISSIONER MAY**  
27 **INCREASE THE** maximum operating fee ~~may be increased at an annual~~

1 rate of not more than 10% in the second, third, and fourth years  
2 ~~following enactment~~ **1-YEAR PERIODS AFTER THE 1-YEAR PERIOD**  
3 **BEGINNING JULY 2, 1996**, and in the fifth and subsequent years, at  
4 an annual rate of not more than the annual increase for the  
5 immediately preceding 12-month period in the Detroit consumer price  
6 index as reported by the United States department of labor. For  
7 purposes of this subdivision, "mortgage loan" includes only  
8 mortgage loans subject to this act.

9 (c) For amending or reissuing a license, ~~or~~ registration, **OR**  
10 **LOAN OFFICER REGISTRATION, A FEE OF** not less than ~~\$50.00~~ **\$15.00** or  
11 more than \$200.00.

12 (d) A licensee or registrant shall pay the actual travel,  
13 lodging, and meal expenses incurred by ~~bureau~~ employees **OF THE**  
14 **OFFICE OF FINANCIAL AND INSURANCE SERVICES** who travel out of state  
15 to examine the records of the licensee or investigate the licensee  
16 or registrant and the cost of independent investigators employed  
17 under section 20(1)(e).

18 **(E) A LOAN OFFICER REGISTRANT SHALL PAY AN ANNUAL FEE**  
19 **ESTABLISHED BY THE COMMISSIONER. FOR PURPOSES OF THIS SUBDIVISION,**  
20 **THE COMMISSIONER SHALL ESTABLISH AN AMOUNT FOR THE ANNUAL FEE THAT**  
21 **IS SUFFICIENT TO DEFRAY THE ESTIMATED COST OF ADMINISTERING AND**  
22 **ENFORCING THE LOAN OFFICER REGISTRATION PROVISIONS OF THIS ACT.**

23 (4) Fees received ~~pursuant to~~ **UNDER** this act are not  
24 refundable.

25 (5) If any fees or penalties provided for in this act are not  
26 paid when required, the attorney general may maintain an action  
27 against the delinquent licensee or registrant for the recovery of

1 the fees or penalties together with interest and costs.

2 (6) A licensee or registrant who fails to submit to the  
3 commissioner a report required by ~~UNDER~~ section 7 or section 21 is  
4 subject to a penalty of \$25.00 for each day the report is  
5 delinquent or \$1,000.00, whichever is less.

6 (7) A licensee or registrant whose license or registration  
7 renewal fee is not received on or before June 30 is subject to a  
8 penalty of \$25.00 for each day the fee is delinquent or \$1,000.00,  
9 whichever is less.

10 (8) ~~Money received under this act shall be deposited in the~~  
11 ~~state treasury and credited to the financial institutions bureau to~~  
12 ~~be used only for the operation of the financial institutions~~  
13 ~~bureau.~~ **THE DEPARTMENT OF TREASURY SHALL ESTABLISH AND ADMINISTER A**  
14 **RESTRICTED ACCOUNT IN THE GENERAL FUND NAMED THE MBLSLA FUND. THE**  
15 **DEPARTMENT OF TREASURY SHALL CREDIT TO THE ACCOUNT ALL FEES**  
16 **COLLECTED UNDER THIS ACT OR UNDER THE COMMISSIONER'S AUTHORITY**  
17 **UNDER THIS ACT AND MONEY APPROPRIATED OR RECEIVED FROM ANY SOURCE.**  
18 **THE DEPARTMENT OF TREASURY SHALL USE THE MONEY IN THE ACCOUNT ONLY**  
19 **TO PROVIDE MONEY TO THE COMMISSIONER, TO ADMINISTER AND ENFORCE**  
20 **THIS ACT AND OTHER COSTS ASSOCIATED WITH THE COMMISSIONER'S**  
21 **REGULATORY OBLIGATIONS. MONEY IN THE ACCOUNT AT THE END OF A STATE**  
22 **FISCAL YEAR SHALL NOT REVERT TO THE GENERAL FUND BUT SHALL BE**  
23 **CARRIED OVER IN THE ACCOUNT TO THE NEXT STATE FISCAL YEAR.**

24 (9) The annual operating fee set by the commissioner under  
25 subsection (3)(b) shall be based upon information in reports filed  
26 under section 21.

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 94th Legislature are  
2 enacted into law:

- 3 (a) Senate Bill No. 826.
- 4 (b) Senate Bill No. 827.
- 5 (c) Senate Bill No. 828.
- 6 (d) Senate Bill No. 829.
- 7 (e) Senate Bill No. 831.
- 8 (f) Senate Bill No. 832.
- 9 (g) Senate Bill No. 833.
- 10 (h) House Bill No. 5287.
- 11 (i) House Bill No. 5288.
- 12 (j) House Bill No. 5289.
- 13 (k) House Bill No. 5290.
- 14 (l) House Bill No. 5291.