



Senate Fiscal Agency
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Senate Bill 908 (Substitute S-1 as reported)
Sponsor: Senator Darwin L. Booher
Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Mortgage Loan Originators Licensing Act to do the following:

- Require a person to have a sponsor in the Nationwide Mortgage Licensing System and Registry (NMLS) approved by the Commissioner of the Office of Financial and Insurance Regulation, in order to be licensed as a mortgage loan originator.
- Provide that the license of a mortgage loan originator who failed to meet the Act's surety bond requirement or to have a sponsor would automatically be subject to a condition that he or she could not originate mortgage loans under the Act, and immediately would have to cease originating mortgage loans.
- Delete a provision under which a person was not required to be licensed before July 31, 2011, if he or she was authorized to perform loan modification activities but not to originate new residential mortgages, and other criteria were met.
- Delete the definition of "loan modification activities".

The bill would define "sponsor" as a person that meets all of the following:

- Has a unique identifier in the NMLS.
- Is approved by the Commissioner in the NMLS as an exempt company or as a person licensed or registered under the Mortgage Brokers, Lenders, and Servicers Licensing Act, the Secondary Mortgage Loan Act, or the Consumer Financial Services Act.
- Has indicated in the NMLS that an individual will act as a mortgage loan originator for that person under the person's specific license, registration, or status as an exempt company.

"Exempt company" would mean a person that is not required to obtain a license or registration, or is exempt from licensure or registration, under one of the statutes listed above; has a unique identifier in the NMLS; and has been approved by the Commissioner in the NMLS as an exempt company.

MCL 493.133 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Date Completed: 2-21-12

Fiscal Analyst: Josh Sefton