

SENATE BILL No. 1178

June 12, 2012, Introduced by Senator BOOHER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
by amending section 33 (MCL 445.1683), as amended by 2009 PA 76.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 33. (1) The mortgage industry advisory board is created.

2 (2) All of the following apply to the board:

3 (a) The board shall consist of 7 individuals, appointed by the
4 commissioner as follows:

5 ~~—— (i) Two individuals who are employees of, are directors of, or~~
6 ~~have at least a 25% ownership interest in a licensee or registrant,~~
7 ~~selected by the commissioner from a list of at least 3 nominees~~
8 ~~provided to the commissioner by the Michigan mortgage brokers~~
9 ~~association.~~

10 (i) ~~(ii) Two~~ **FOUR** individuals who are employees of, are

1 directors of, or have at least a 25% ownership interest in a
2 licensee or registrant, selected by the commissioner from a list,
3 ~~of at least 3 nominees~~ provided to the commissioner by the Michigan
4 mortgage lenders association, **THAT INCLUDES AT LEAST 6 NOMINEES, 3**
5 **OF WHOM ARE EMPLOYEES OF, DIRECTORS OF, OR HAVE AT LEAST A 25%**
6 **OWNERSHIP INTEREST IN A PERSON THAT HOLDS A LICENSE OR REGISTRATION**
7 **UNDER THIS ACT TO PROVIDE SERVICES AS A MORTGAGE BROKER.**

8 (ii) ~~(iii)~~—One employee who is an employee of, a director of, or
9 who has at least a 25% ownership interest in a licensee or
10 registrant that is a member of any trade association operating in
11 this state that represents mortgage brokers, mortgage lenders, or
12 mortgage servicers. The trade associations may recommend candidates
13 for this position to the commissioner.

14 (iii) ~~(iv)~~—Two individuals who are employees of, are directors
15 of, or have at least a 25% ownership interest in business entities
16 that provide services to or purchase services from licensees or
17 registrants.

18 (b) The term of a board member is 4 years, except that for the
19 first board, the commissioner shall appoint 3 individuals for 2-
20 year terms so that the terms of office of board members are
21 staggered.

22 (c) An individual may not serve more than 2 consecutive 4-year
23 terms, and the commissioner may not reappoint an individual who
24 serves 2 consecutive 4-year terms on the board for at least 12
25 months after the end of those consecutive terms.

26 (d) The board shall not include more than 1 member who is
27 employed by, is a director of, or has more than a 1% ownership

1 interest in the same licensee, registrant, affiliate, or other
2 person.

3 (e) Each member of the board shall serve without compensation.
4 However, the office of financial and insurance ~~services~~ **REGULATION**
5 shall reimburse a member of the board for his or her travel and
6 other expenses incurred in the performance of an official board
7 function pursuant to the standard travel regulations of the
8 department of management and budget.

9 (f) The board shall retain minutes of its meetings and any
10 other records of the board for at least 10 years. The board shall
11 make its minutes and any other records prepared, owned, used, in
12 the possession of, or retained by the board in the performance of
13 an official function available to the commissioner immediately on
14 request and make those minutes and records available to the public
15 in compliance with the freedom of information act, 1976 PA 442, MCL
16 15.231 to 15.246.

17 (3) The board shall communicate to the commissioner issues of
18 concern to the residential mortgage industry and shall review and
19 make recommendations to the commissioner concerning all of the
20 following:

21 (a) Rules proposed under this act, the secondary mortgage loan
22 act, or the mortgage loan originator licensing act, **2009 PA 75, MCL**
23 **493.131 TO 493.171.**

24 (b) Procedures for maintaining the confidentiality of personal
25 identifying information and other information concerning all of the
26 following:

27 (i) Licensees, registrants, and applicants for licensure or

1 registration.

2 (ii) Licensees, registrants, and applicants for licensure or
3 registration under the secondary mortgage loan act.

4 (iii) Licensees or applicants for licensure under the mortgage
5 loan originator licensing act, **2009 PA 75, MCL 493.131 TO 493.171.**

6 (c) Any other issue referred to the board by the commissioner.