

THE SECONDARY MORTGAGE LOAN ACT (EXCERPT)
Act 125 of 1981

493.58 Summary suspension of license or registration; order; affidavit; service; filing request for hearing; duration of license suspension; record.

Sec. 8.

(1) The commissioner may issue an order summarily suspending a license or registration under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292, supported by an affidavit that an imminent threat of financial loss or imminent threat to the public welfare exists. The order to summarily suspend a license or registration shall be served upon the licensee or registrant.

(2) A licensee or registrant upon which an order to summarily suspend its license or registration has been served shall have 20 days after the date of service of the order within which to file with the commissioner a request for a hearing.

(3) A hearing shall be promptly held upon receipt of a request for a hearing filed by a licensee or registrant.

(4) A summary suspension of a license or registration shall continue until the commissioner finds that the imminent threat of financial loss and imminent threat to the public welfare no longer exist.

(5) The record created at the hearing of the summary suspension shall become part of the record on the complaint at a subsequent hearing in a contested case.

History: 1981, Act 125, Imd. Eff. July 23, 1981 ;-- Am. 1992, Act 77, Imd. Eff. June 2, 1992 ;-- Am. 1997, Act 91, Imd. Eff. Aug. 1, 1997

Constitutionality: In *Wachovia Bank v Watters*, 431 F 2d 556 (2005), the 6th circuit court of appeals held that the national bank act and implementing federal regulations preempt conflicting Michigan law as to provisions requiring registration before a mortgage lender may conduct business in Michigan, payment of registration and renewal fees, submission of financial statements, and certain investigatory and regulatory powers of the insurance commissioner. (United States Supreme Court granted certiorari June 1, 2006.)

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.

Popular Name: Secondary Mortgage Loan Act