

SUBSTITUTE FOR
HOUSE BILL NO. 5380

A bill to amend 1987 PA 173, entitled
"Mortgage brokers, lenders, and servicers licensing act,"
(MCL 445.1651 to 445.1684) by adding section 23a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 23A. (1) IF A LICENSEE AS A MORTGAGEE REQUIRES PRIVATE
2 MORTGAGE INSURANCE AS A CONDITION OF MAKING A MORTGAGE LOAN, THE
3 LICENSEE SHALL PROVIDE THE MORTGAGOR INFORMATION AS REQUIRED
4 UNDER THE MORTGAGE INSURANCE LIMITATION AND NOTIFICATION ACT.

5 (2) AS USED IN THIS SECTION:

6 (A) "MORTGAGE" MEANS AN EXTENSION OF CREDIT SECURED BY A
7 FIRST LIEN ON A SINGLE FAMILY RESIDENCE IN THIS STATE WHICH IS,
8 AT THE TIME OF THE EXTENSION OF CREDIT, INTENDED TO BE OWNER
9 OCCUPIED.

10 (B) "MORTGAGE GUARANTY INSURANCE" MEANS INSURANCE TO PROTECT
11 A MORTGAGEE AGAINST THE NONPAYMENT OF OR DEFAULT ON A MORTGAGE,

HB5380, As Passed House, May 21, 1998

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1 THE PREMIUMS OF WHICH ARE PAID BY THE MORTGAGOR AND ON WHICH THE
2 MORTGAGEE IS THE NAMED INSURED.

3 (C) "MORTGAGEE" MEANS A PERSON THAT MAKES A MORTGAGE.

4 (D) "MORTGAGOR" MEANS AN INDIVIDUAL WHO HAS GIVEN A MORTGAGE
5 FOR WHICH THE MORTGAGEE HAS REQUIRED PRIVATE MORTGAGE INSURANCE.

6 (E) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, PARTNERSHIP,
7 ASSOCIATION, GOVERNMENTAL ENTITY, OR ANY OTHER LEGAL ENTITY.

8 (F) "PRIVATE MORTGAGE INSURANCE" OR "PMI" MEANS MORTGAGE
9 GUARANTY INSURANCE OTHER THAN MORTGAGE INSURANCE MADE AVAILABLE
10 UNDER THE NATIONAL HOUSING ACT, CHAPTER 847, 48 STAT. 1246, TITLE
11 38 OF THE UNITED STATES CODE, 38 U.S.C. 101 TO 8528, OR TITLE V
12 OF CHAPTER 338, 63 STAT. 432, 42 U.S.C. 1471 TO 1474, 1475 TO
13 1481, 1483 TO 1487, 1489 TO 1490f, 1490h, 1490j TO 1490o, AND
14 1490p-1 to 1490r.

15 Enacting section 1. This amendatory act does not take
16 effect unless House Bill No. 5691 of the 89th Legislature is
17 enacted into law.