

**SUBSTITUTE FOR
SENATE BILL NO. 465**

A bill to amend 1988 PA 161, entitled
"Consumer financial services act,"
by amending section 9 (MCL 487.2059), as amended by 2009 PA 12.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) Except as otherwise provided in subsection (2), a
2 licensee under this act shall comply with all of the requirements
3 of the financial licensing acts.

4 (2) A licensee under this act is exempt from provisions of the
5 financial licensing acts regulating any of the following:

- 6 (a) Application procedures.
7 (b) Licensing procedures.
8 (c) Payment of fees by the licensee.
9 (d) Filing of surety bonds.

1 (e) Denial, suspension, or revocation of a license.

2 (f) Retention of records.

3 (g) Filing of reports.

4 (3) A licensee may purchase a contract made in compliance with
5 the retail installment sales act, 1966 PA 224, MCL 445.851 to
6 445.873, or the home improvement finance act, 1965 PA 332, MCL
7 445.1101 to 445.1431.

8 (4) A licensee may have 1 or more loans outstanding to 1
9 borrower, but no single loan transaction shall violate the
10 financial licensing act which regulates the type of loan
11 transaction.

12 (5) A licensee acting as a mortgage broker or mortgage lender
13 shall not employ or engage an individual as a loan officer to
14 originate mortgage loans unless he or she is a **LICENSED** loan
15 officer. ~~registrant under the mortgage brokers, lenders, and~~
16 ~~servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684.~~ As
17 used in this subsection, "**LICENSED LOAN OFFICER**", "loan officer",
18 ~~"loan officer registrant", "originate", "mortgage broker", and~~
19 "mortgage lender" mean those terms as defined in section 1a of the
20 mortgage brokers, lenders, and servicers licensing act, 1987 PA
21 173, MCL 445.1651a.

22 (6) A licensee acting as a broker or lender shall not employ
23 or engage an individual as a secondary mortgage loan officer to
24 originate secondary mortgage loans unless he or she is a **LICENSED**
25 secondary mortgage loan officer. ~~registrant under the secondary~~
26 ~~mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81.~~ As used in
27 this subsection, "broker", "lender", "**LICENSED SECONDARY MORTGAGE**

1 **LOAN OFFICER", "originate", AND "secondary mortgage loan officer" 7**
2 ~~and "secondary mortgage loan officer registrant"~~ mean those terms
3 as defined in section 1 of the secondary mortgage loan act, 1981 PA
4 125, MCL 493.51.

5 (7) AS USED IN THIS SECTION, "EMPLOY" MEANS AN ENGAGEMENT OF
6 AN INDIVIDUAL BY A LICENSEE THAT MEETS BOTH OF THE FOLLOWING:

7 (A) IS ACKNOWLEDGED BY THE LICENSEE AND INDIVIDUAL AS AN
8 EMPLOYMENT RELATIONSHIP.

9 (B) THE LICENSEE TREATS THE INDIVIDUAL AS AN EMPLOYEE FOR
10 COMPLIANCE WITH FEDERAL INCOME TAX LAWS.

11 Enacting section 1. This amendatory act takes effect July 31,
12 2010.

13 Enacting section 2. This amendatory act does not take effect
14 unless Senate Bill No. 462 of the 95th Legislature is enacted into
15 law.