

SENATE BILL No. 1087

September 23, 2014, Introduced by Senator BOOHER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 2009 PA 75, entitled
"Mortgage loan originator licensing act,"
by amending section 5 (MCL 493.135), as amended by 2012 PA 150.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) Unless specifically exempted under subsection (2),
2 beginning July 31, 2010, an individual shall not engage in the
3 business of a mortgage loan originator with respect to any dwelling
4 located in this state without first obtaining and maintaining
5 annually a license under this act. Each licensed mortgage loan
6 originator must register with and maintain a valid unique
7 identifier issued by the nationwide mortgage licensing system and
8 registry.

9 (2) Each of the following is exempt from this act:

10 (a) A registered mortgage loan originator, when acting for an

1 entity described in section 3(s)(i)(A), (B), or (C).

2 (b) An individual who offers or negotiates terms of a
3 residential mortgage loan with or on behalf of an immediate family
4 member of that individual.

5 (c) An individual who offers or negotiates terms of a
6 residential mortgage loan secured by a dwelling that served as his
7 or her residence.

8 (d) A licensed attorney who negotiates the terms of a
9 residential mortgage loan on behalf of a client as an ancillary
10 matter to the attorney's representation of the client, unless the
11 attorney is compensated by a lender, mortgage broker, or other
12 mortgage loan originator or by any agent of a lender, mortgage
13 broker, or other mortgage loan originator.

14 (E) AN INDIVIDUAL WHO ACTS AS A MORTGAGE SERVICER, OR WHO IS
15 AN EMPLOYEE OF A MORTGAGE SERVICER, WHO OFFERS OR NEGOTIATES THE
16 TERMS OF RESIDENTIAL MORTGAGE LOANS FOR THE PURPOSE OF
17 RENEGOTIATING, MODIFYING, REPLACING, OR SUBORDINATING THE PRINCIPAL
18 OF EXISTING RESIDENTIAL MORTGAGE LOANS OF WHICH THE BORROWERS ARE
19 BEHIND IN MAKING THEIR PAYMENTS, ARE IN DEFAULT, OR HAVE A
20 REASONABLE LIKELIHOOD OF FALLING BEHIND IN MAKING PAYMENTS OR
21 DEFAULTING. HOWEVER, THE EXEMPTION FROM THIS ACT UNDER THIS
22 SUBDIVISION DOES NOT APPLY TO AN INDIVIDUAL WHO ACTS AS A MORTGAGE
23 SERVICER, OR IS AN EMPLOYEE OF A MORTGAGE SERVICER, WHO OFFERS OR
24 NEGOTIATES THE TERMS OF A RESIDENTIAL MORTGAGE LOAN TRANSACTION
25 THAT CONSTITUTES A REFINANCING UNDER 12 CFR 1026.20(A) OR THAT
26 OBLIGATES A DIFFERENT CONSUMER TO PAY THE EXISTING RESIDENTIAL
27 MORTGAGE LOAN.

1 (3) A loan processor or underwriter who is an independent
2 contractor may not engage in the activities of a loan processor or
3 underwriter unless that independent contractor loan processor or
4 underwriter obtains and maintains a license under subsection (1).
5 Each independent contractor loan processor or underwriter licensed
6 as a mortgage loan originator must have and maintain a valid unique
7 identifier issued by the nationwide mortgage licensing system and
8 registry.

9 (4) The commissioner may establish licensing rules and interim
10 procedures for licensing and acceptance of applications. For
11 previously registered or licensed individuals, the commissioner may
12 establish expedited review and licensing procedures.