

**MORTGAGE BROKERS, LENDERS, AND SERVICERS LICENSING ACT (EXCERPT)**  
**Act 173 of 1987**

**445.1673 Reasonable and necessary charges; terms and conditions of guarantee.**

Sec. 23. (1) A licensee or registrant may require a borrower to pay reasonable and necessary charges which are the actual expenses incurred by the licensee or registrant in connection with the making, closing, disbursing, extending, readjusting, or renewing of a mortgage loan and a loan processing fee. The charges shall be in addition to interest authorized by law, and are not a part of the interest collected or agreed to be paid on the mortgage loan within the meaning of the law of this state which limits the rate of interest which may be exacted in a transaction. The charges shall be paid only once by the borrower to the licensee or registrant. This section is not intended to override the federal preemption of state usury laws contained in the depository institutions deregulation and monetary control act of 1980, Public Law 96-221.

(2) A licensee or registrant which assesses or accepts a fee to guarantee a specified rate of interest on a mortgage loan shall specify the terms and conditions of the guarantee in writing. The terms and conditions of the guarantee shall not extend beyond the expiration of the guarantee unless extended in writing by all the parties.

**History:** 1987, Act 173, Imd. Eff. Nov. 18, 1987;—Am. 1996, Act 210, Imd. Eff. May 22, 1996.

**Compiler's note:** 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.