

STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012

Introduced by Senators Nofs, Green and Booher

ENROLLED SENATE BILL No. 1284

AN ACT to amend 2002 PA 660, entitled “An act to prohibit certain lending practices; to require disclosure of certain information for home loans; to prescribe certain duties and obligations of the lender in a home loan transaction; to prescribe the powers and duties of certain state agencies and officials; and to prescribe penalties and provide for remedies,” by amending section 2 (MCL 445.1632).

The People of the State of Michigan enact:

Sec. 2. As used in this act:

- (a) “Commissioner” means the commissioner of the office of financial and insurance regulation of the department of licensing and regulatory affairs.
- (b) “Depository institution” means a bank, savings and loan association, savings bank, or credit union chartered under state or federal law.
- (c) “Home improvement installment contract” means an agreement consisting of 1 or more documents that covers the sale of goods or furnishing of services to a buyer for improvements to the buyer’s principal dwelling, if that dwelling is located in this state and used for occupancy of 4 or fewer families, under which the buyer promises to pay in installments all or any part of the price of the goods or services.
- (d) “Mortgage loan” means a loan or home improvement installment contract secured by a first or subordinate mortgage or any other form of lien or a land contract that covers real property located in this state that is used as the borrower’s principal dwelling and is designed for occupancy by 4 or fewer families. Mortgage loan does not include any of the following:
 - (i) A loan transaction in which the proceeds are used to acquire the borrower’s principal dwelling.
 - (ii) A reverse-mortgage transaction.
 - (iii) An open-end credit plan. As used in this subparagraph, “open-end credit plan” means a loan in which the lender reasonably contemplates repeated advances.
 - (iv) A loan transaction in which the proceeds are not used primarily for a personal, family, or household purpose.
- (e) “Person” means an individual, corporation, limited liability company, partnership, association, governmental entity, or any other legal entity.
- (f) “Reverse-mortgage” means a nonrecourse loan under which both of the following apply:
 - (i) A mortgage or other form of lien securing 1 or more advances is created in the borrower’s principal dwelling.

(ii) The principal, interest, or shared appreciation or equity is payable only after the borrower dies, the dwelling is transferred, or the borrower ceases to occupy the dwelling as a principal dwelling.

(g) “Regulated lender” means a depository institution; a licensee or a registrant under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, 1984 PA 379, MCL 493.101 to 493.114, the secondary mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81, or the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684; or a seller under the home improvement finance act, 1965 PA 332, MCL 445.1101 to 445.1431.

(h) “State and federal laws” means, individually and collectively, 1 or more of the laws or regulations of this state or the federal government which regulate or are applicable to a mortgage loan or a person that is brokering, making, servicing, or collecting a mortgage loan, including, without limitation, the truth in lending act, 15 USC 1601 to 1667f, real estate settlement procedures act of 1974, Public Law 93-533, 88 Stat. 1724, equal credit opportunity act, 15 USC 1691 to 1691f, fair housing act, title VIII of the civil rights act of 1968, Public Law 90-284, 82 Stat. 81, fair credit reporting act, 15 USC 1681 to 1681x, the homeowners protection act of 1998, Public Law 105-216, 112 Stat. 897, the fair debt collection practices act, 15 USC 1601nt and 1692 to 1692o, consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684, the secondary mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81, 1977 PA 135, MCL 445.1601 to 445.1614, and home improvement finance act, 1965 PA 332, MCL 445.1101 to 445.1431.

This act is ordered to take immediate effect.

Secretary of the Senate

Clerk of the House of Representatives

Approved

Governor