

HOUSE BILL No. 5376

October 26, 2007, Introduced by Reps. Scott, Young, Johnson, Sheltroun, Sak, Kathleen Law, Gonzales, Lahti, Lindberg, Lemmons, Condino, Constan, Rick Jones, Farrah, Hood, Tobocman, Meadows, Polidori, Leland, Griffin, Espinoza, Hopgood, Jackson, Accavitti, Mayes, Wojno, Dean, Cushingberry, Gaffney and Cheeks and referred to the Committee on Banking and Financial Services.

A bill to amend 2002 PA 660, entitled
"Consumer mortgage protection act,"
by amending the title and section 10 (MCL 445.1640).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

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~~ **TO CREATE THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND AND TO PROVIDE FOR ITS**

1 **FUNDING AND USE; TO PRESCRIBE AND PROVIDE FOR THE DISPOSITION OF**
2 **CIVIL FINES; and TO provide for remedies.**

3 Sec. 10. (1) The attorney general or the prosecuting attorney
4 for the county where an alleged violation occurred may bring an
5 action against a person to do 1 or more of the following:

6 (a) Obtain a declaratory judgment that a method, act, or
7 practice of the person is a violation of this act.

8 (b) Enjoin a person who is engaging or about to engage in a
9 method, act, or practice that is a violation of this act.

10 (c) Obtain a civil fine of not more than \$10,000.00 for the
11 first offense and not more than \$20,000.00 for the second and any
12 subsequent offense. **FINES RECEIVED UNDER THIS SUBDIVISION SHALL BE**
13 **DEPOSITED INTO THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND CREATED**
14 **IN SUBSECTION (2).**

15 (2) **THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND IS CREATED IN**
16 **THE STATE TREASURY. FINES ASSESSED UNDER SUBSECTION (1)(C) SHALL BE**
17 **DEPOSITED IN THE FUND AND USED BY THE COMMISSIONER TO DO ANY OF THE**
18 **FOLLOWING:**

19 (A) **AWARD GRANTS TO FINANCE FINANCIAL LITERACY PROGRAMS,**
20 **HOMEOWNERSHIP TRAINING, AND HOMEOWNERSHIP PROTECTION TRAINING.**

21 (B) **PROVIDE DOWN PAYMENT ASSISTANCE TO INDIVIDUALS SEEKING**
22 **HOME LOANS.**

23 (C) **PROVIDE LOANS AND GRANTS TO LOW INCOME INDIVIDUALS SEEKING**
24 **TO AVOID FORECLOSURE.**

25 (3) **THE COMMISSIONER SHALL ESTABLISH ELIGIBILITY STANDARDS FOR**
26 **THE AWARD OF GRANTS UNDER SUBSECTION (2).**

27 (4) **THE STATE TREASURER MAY RECEIVE MONEY FROM ANY SOURCE FOR**

1 DEPOSIT INTO THE MICHIGAN HOMEOWNERSHIP PRESERVATION FUND CREATED
2 IN SUBSECTION (2). THE STATE TREASURER SHALL DIRECT THE INVESTMENT
3 OF THE FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST
4 AND EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE
5 OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO
6 THE GENERAL FUND.