Michigan Department of Insurance and Financial Services (MI-DIFS)
Pre-licensure Education (PE) Notice

Purpose
The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 2-hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with the Michigan Department of Insurance and Financial Services.

MI-DIFS PE requirements are as follows:
• 3 hours of Federal law;
• 3 hours of Ethics;
• 2 hours of non-traditional mortgage lending;
• 10 hours of general electives;
• 2 hours of Michigan state-specific defined electives

Total PE: 20 Hours

Required Learning Objectives:
• Know that a license will not be issued if Applicant is convicted of a felony within a 10-year period preceding the date of application. MCL 493.139, section 9(1)(c)(i) of the Mortgage Loan Originator Licensing Act (MLOLA).
• Understand the license renewal requirements and the penalty for late renewal. Know that the license renews annually on 12/31 (MCL 493.145, section 15 of MLOLA), and the late penalty is $25/day ($1,000 maximum fee) if received after December 31 (MCL 493.149, section 19 of MLOLA).

MI-DIFS has established the following required topics list for the 2 hours of state-specific PE:
MLOLA, 2009 PA 75, MCL 493.131 et seq. to include:
• 493.135 Engaging in business of mortgage loan originator; license required; exemptions; independent contractor loan processor or underwriter; establishment of licensing rules and interim procedures.
• 493.139 Issuance of mortgage loan originator license; findings; conviction.
  o Sec. 9. (1) (c) and (d)
• 493.145 Annual renewal; expiration; reinstatement.
• 493.147 Continuing education requirements.
• 493.149 Fees; reports; penalties; deposit of money in MBLSLA fund; limitation on fee levels.
  o Sec. 19. (3) and (6)
• 493.155 Powers of commissioner; finding of violation or noncompliance; fine.
• 493.159 Surety bond.
• 493.163 Investigations and examinations; access to books and records; reports; control of access to documents or records; duties and authority of commissioner; prohibited conduct by licensed mortgage loan originator or person subject to investigation.
• 493.165 Licensed mortgage loan originator; prohibited conduct.

Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173 to include:
• 445.1652 Mortgage broker, mortgage lender, or mortgage servicer; license or registration required; exemption; application; compensation or other remuneration; words contained in name or assumed name; "employee" defined.
• 445.1653 License or renewal; application; form; investigation; determination; issuance; indemnification.
• 445.1654 Proof of financial responsibility. Electronic bond required through NMLS.
• 445.1655 Minimum net worth.
• 445.1656 Registration required; applicability of certain provisions; licensing or registration of real estate broker or salesperson; improper use of business name.
• 445.1657 Expiration of registration or license; renewal; application; fee; limitation; financial statement.
• 445.1661 Powers of commissioner generally.
• 445.1668a Fraud; prohibition; notice; hearing; order.
• 445.1671 Books, accounts, records, and documents; preservation and examination; reports; false statement as felony; penalty.
• 445.1672 Violations generally.
• 445.1672a Mortgage loans; prohibited advertising.
• 445.1679 Prohibited conduct; misdemeanor; penalty; violation of act or rules; civil fine; suspension or revocation of license or registration; refusal to issue or renew license or registration; restitution; proceedings subject to MCL 24.201 to 24.328; bona fide error.

Secondary Mortgage Loan Act, 1981 PA 125 to include:
• 493.52 Broker, lender, or servicer; license or registration required; exemption; use of name or assumed name.
• 493.56 License or registration; filing application or renewal; bond or letter of credit; claims filed against proof of financial responsibility; maintenance of net worth; determination; assets excluded from computation.
• 493.56a Registration or license; expiration; renewal; filing financial statement; exemption; fees; failure to submit reports or fees; disposition of money received; "MBLSLA fund" defined; limitation on fees; annual report; additional reports; false statement as felony.
• 493.56 Proof of financial responsibility. Electronic bond required through NMLS.
• 493.56b Powers of commissioner.
• 493.61 Suspension, revocation, or refusal to issue or renew license or registration; notice; hearing; findings; facts or conditions; surrender of license or registration; preexisting contract not affected; lost or destroyed license or registration certificate.
• 493.63 Duration of license or registration; reinstatement of suspended license or registration; issuing new license or registration; consent required for transfer or assignment; requirements for transfer.
• 493.64 Order to cease and desist; issuance; conditions; notice; hearing; failure to appear as consent; service or order; effective date and enforcement.
• 493.64a Fraud.
• 493.67 Maintaining records relating to conduct of business; availability; statement of borrower's account; ledger history; obligation of servicer; fee prohibited.
• 493.68 Documents; preservation; other books, accounts, records, and documents.
• 493.72 Processing fee limitation of 5% of the gross amount of the loan.
• 493.74 Licensee or registrant; prohibited conduct.
• 493.75 Violation of applicable federal law is a violation of the Secondary Mortgage Loan Act.
• 493.76 Advertising; prohibited conduct.
• 493.77 Violation of act; making secondary mortgage loans without license as misdemeanor; penalty; civil fine; actions.
• 493.80 Persons permitted to make secondary mortgage loans.

Consumer Mortgage Protection Act, 2002 PA 660 to include:
• 445.1634 Person making mortgage loan; prohibited conduct.
• 445.1635 Mortgage loan with term less than 5 years; payment schedule.
• 445.1626 Special information book required on refinance transactions.
• 445.1639 Violation of act.
• 445.1644 Municipal actions; statutory conflict; preemption; severability.

Mortgage Lending Practices Act, 1977 PA 135 to include:
• 445.1602 Denying loan application or varying terms or conditions of loan contract; uniform application of policy or criteria; basis for consideration of loan application; minimum mortgage amount; minimum loan amount; opportunity to submit loan application; credit unions; written statement; compliance with equal credit opportunity act; application fee; copy of appraisal; copies of forms, reports, and correspondence; liability for error or omission; loan inquiry; pamphlet or document explaining criteria.
• 445.1605 Notice to loan inquirers or applicants; posting; contents.
• 445.1607 Retention of records and documents.
• 445.1612 Violation; fine; costs of investigation; proceedings.

Consumer Financial Services Act, 1988 PA 161 to include:
• 487.2052 Definitions. Sec. 2. (d) (e)

References:
Mortgage Loan Originator Licensing Act

Mortgage Brokers, Lenders, and Servicers Licensing Act

The Secondary Mortgage Loan Act
Consumer Mortgage Protection Act

Mortgage Lending Practices

Consumer Financial Services Act

NMLS Approving Authority
In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the Functional Specification for All NMLS Approved Courses.

Legislative Updates
Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.