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REPEAL MORTGAGE DISCLOSURE REPORTS

House Bill 5826

Sponsor: Rep. Michael J. Griffin

Committee: Commerce

Complete to 5-8-98

A SUMMARY OF HOUSE BILL 5826 AS INTRODUCED 5-6-98

House Bill 5826 would repeal section 6 of Public Act 135 of 1977 (MCL 445.1606), an act that prohibits certain mortgage lending practices. Section 6 of the current law specifies that on or before March 31 of each year, a credit-granting institution must file with the Financial Institutions Bureau commissioner an affidavit stating whether it is subject to the Federal Home Mortgage Disclosure Act and, if so, that it has complied with the act's requirements and regulations.

[Section 6 was originally added to this act in 1993 with the enactment of Public Acts 43 and 44 (House Bills 4423 and 4424). This two-bill package deleted provisions that required credit-granting institutions to disclose certain information to the Financial Institutions Bureau (FIB) and, instead, required them to file an affidavit with the FIB that said they were subject to the Federal Home Mortgage Disclosure Act and had complied with its provisions. The Federal Home Mortgage Disclosure Act was passed in 1990. It requires depository institutions that are federally insured to submit data concerning their mortgage and home improvement loan activity to federal officials. Generally, the data required under the federal act is more extensive than that which was once required by state law. Consequently, beginning in 1991 the FIB reduced state oversight and trimmed the state budget by eliminating 5 FTEs, all positions that had reviewed the reports submitted by financial institutions about their lending activities. (For further information, see the House Legislative Analysis Section analysis of House Bills 4423 and 4424 dated 8-25-93.)]

House Bill 5826 (5-8-98)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.