

HOUSE BILL NO. 5367

November 14, 2023, Introduced by Reps. McKinney and Skaggs and referred to the Committee on Judiciary.

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending sections 219e and 219f (MCL 750.219e and 750.219f), section 219e as added by 1999 PA 164 and section 219f as added by 1999 PA 166.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1** Sec. 219e. (1) Except as otherwise provided by law, a person
2 shall not do any of the following:
3 (a) Prepare or submit an application for a loan or other
4 extension of credit in another person's name without authorization

1 from that other person.

2 (b) Receive or possess an application for a loan or other
3 extension of credit knowing or having reason to know **that** the
4 application was prepared or submitted in violation of **this**
5 subsection. ~~(1)~~.

6 (c) Receive or possess any instrument or device for accessing
7 the proceeds of a loan or other extension of credit knowing or
8 having reason to know the instrument or device was obtained as a
9 result of a violation of **this** subsection. ~~(1)~~.

10 (2) A person ~~who~~**that** violates this section is guilty of a
11 felony punishable by imprisonment for not more than 4 years or a
12 fine of not more than \$2,500.00, or both.

13 (3) Subsection (1) does not apply to a financial institution
14 or an affiliate, licensee, or franchisee of a financial institution
15 or to a director, officer, or employee of a financial institution
16 or an affiliate, licensee, or franchisee of a financial institution
17 ~~who~~**that** does any of the following:

18 (a) Prepares or submits an application in another person's
19 name without prior actual knowledge that the application is being
20 prepared or was prepared in violation of subsection (1).

21 (b) Submits an application prepared in another person's name
22 to a federal, state, or local law enforcement agency or regulatory
23 agency.

24 (c) Submits an application prepared in another person's name
25 to a credit reporting ~~bureau~~**agency** or other person to determine
26 whether the application was prepared in violation of subsection (1)
27 or any other law or regulation.

28 (d) Receives or possesses an application prepared in another
29 person's name without prior actual knowledge that the application

1 was prepared in violation of subsection (1).

2 (e) Receives or possesses an instrument or device obtained as
3 a result of a violation of subsection (1) without prior actual
4 knowledge that the instrument or device was obtained as a result of
5 a violation of subsection (1).

6 (4) As used in this section, "financial institution" means any
7 of the following:

8 (a) A regulated lender, as **that term is** defined in section 2
9 of the credit reform act, 1995 PA 162, MCL 445.1852.

10 (b) A person **that is** licensed under the Michigan BIDCO act,
11 1986 PA 89, MCL 487.1101 to 487.2001.

12 (c) A person **that is** licensed or registered under the mortgage
13 brokers, lenders, and servicers licensing act, 1987 PA 173, MCL
14 445.1651 to 445.1684.

15 (d) A person **that is** licensed or registered under the
16 secondary mortgage loan act, 1981 PA 125, MCL 493.51 to 493.81.

17 (e) A person **that is** subject to the retail installment sales
18 act, 1966 PA 224, MCL 445.851 to 445.873.

19 (f) A person **that is** subject to the motor vehicle sales
20 finance act, 1950 (**Ex Sess**) PA 27, MCL 492.101 to ~~492.141~~ **492.137a**.

21 (g) A person **that is** chartered or regulated by the ~~office of~~
22 ~~the comptroller of the currency, the federal deposit insurance~~
23 ~~corporation, the federal reserve, or the office of thrift~~
24 ~~management.~~ **Office of the Comptroller of the Currency, the Federal**
25 **Deposit Insurance Corporation, or the Federal Reserve.**

26 Sec. 219f. (1) A person shall not receive with the intent to
27 forward, possess with the intent to forward, or forward an
28 application for a loan or other extension of credit on behalf of a
29 person to another person knowing or having reason to know **that** the

1 application has been prepared or is being submitted in violation of
2 this chapter.

3 (2) A person shall not receive with the intent to forward,
4 possess with the intent to forward, or forward to another person
5 any instrument or device for accessing the proceeds of a loan or
6 other extension of credit knowing or having reason to know the
7 instrument or device was obtained as a result of a violation of
8 this chapter.

9 (3) A person ~~who~~**that** violates this section is guilty of a
10 felony punishable by imprisonment for not more than 4 years or a
11 fine of not more than \$100,000.00, or both.

12 (4) Subsections (1) and (2) do not apply to a financial
13 institution or an affiliate, licensee, or franchisee of a financial
14 institution or to a director, officer, or employee of a financial
15 institution or an affiliate, licensee, or franchisee of a financial
16 institution ~~who~~**that** does any of the following:

17 (a) Receives with the intent to forward, possesses with the
18 intent to forward, or forwards an application in another person's
19 name without prior actual knowledge that the application was
20 prepared in violation of this chapter.

21 (b) Forwards an application prepared in another person's name
22 to a federal, state, or local law enforcement agency or regulatory
23 agency.

24 (c) Forwards an application prepared in another person's name
25 to a credit reporting ~~bureau~~**agency** or other person to determine
26 whether the application was prepared in violation of subsection (1)
27 or any other law or regulation.

28 (d) Receives with intent to forward, possesses with intent to
29 forward, or forwards an instrument or device without prior actual

1 knowledge that the instrument or device was obtained as a result of
2 a violation of this chapter.

3 (5) As used in this section, "financial institution" means any
4 of the following:

5 (a) A regulated lender, as **that term is** defined in section 2
6 of the credit reform act, 1995 PA 162, MCL 445.1852.

7 (b) A person **that is** licensed under the Michigan BIDCO act,
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17 finance act, 1950 **(Ex Sess)** PA 27, MCL 492.101 to ~~492.141~~ **492.137a**.

18 (g) A person chartered or regulated by the ~~office of the~~
19 ~~comptroller of the currency, the federal deposit insurance~~
20 ~~corporation, the federal reserve, or the office of thrift~~
21 ~~management.~~ **Office of the Comptroller of the Currency, the Federal**
22 **Deposit Insurance Corporation, or the Federal Reserve.**

23 Enacting section 1. This amendatory act does not take effect
24 unless Senate Bill No. ____ or House Bill No. 5354 (request no.
25 03158'23) of the 102nd Legislature is enacted into law.