



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
LANSING

PATRICK M. MCPHARLIN
DIRECTOR

MEMORANDUM

DATE: November 16, 2015

TO: Senate Appropriations Subcommittee for Licensing and Regulatory Affairs
Senator Marty Knollenberg, Chair

Senate Commerce Committee
Senator Wayne Schmidt, Chair

House Appropriations Subcommittee for Licensing and Regulatory Affairs
Representative Chris Afendoulis, Chair

House Commerce and Trade Committee
Representative Joseph Graves, Chair

FROM: Patrick M. McPharlin, Director 

SUBJECT: Report Required by MCL 492.106a

Section 492.106a of the Motor Vehicle Sales Finance Act requires a report by December 1 of each year that contains the following information:

- (a) The number of initial and renewal applications received and completed within the 90-day time period described in subsection (1);
- (b) The number of applications denied; and
- (c) The number of applicants not issued a license within the 90-day time period and the amount of money returned to licensees and registrants under subsection (3).

This is my report of that information for the period October 1, 2014 through September 30, 2015.

Department of Insurance and Financial Services

Motor Vehicle Sales Finance Act Annual Renewal Report Required by MCL 492.106a (4) Report Period October 1, 2014 - September 30, 2015

Receipt of completed applications for new or renewal license; issuance of license within certain time period; report.

The number of initial and renewal applications the administrator received and completed within the 90-day time period.

A. Renewal applications issued to installment seller and sales finance licensees:

| | |
|--|------|
| ➤ Number of installment seller renewals sent out: | 1810 |
| ➤ Number of sales finance company renewals sent out: | 667 |
| ➤ Total number of IS/SF renewals sent in fiscal year 2015: | 2477 |

B. Renewal applications processed and renewed:

| | |
|---|------|
| ➤ Number of renewed installment seller licenses: | 1646 |
| ➤ Number of non-renewed installment seller licenses: | 164 |
| ➤ Total number of installment seller renewals (see A): | 1810 |
| ➤ Number of renewed sales finance company licenses: | 587 |
| ➤ Number of non-renewed sales finance company licenses: | 80 |
| ➤ Total number of sales finance company renewals (see A): | 667 |

C. Renewal applications denied: 0

- No installment seller or sales finance company renewal applications were denied in fiscal year 2015.

D. Renewal applications processed and renewed within 90 days:

- All renewal applications were processed, renewed or cancelled and notification of non-renewal sent within the 90-day requirement.

E. New installment seller and sales finance company applications received in fiscal year 2015:

| | |
|---|-----|
| ➤ Number of installment seller license applications received: | 407 |
| ➤ Number of sales finance license applications received: | 94 |
| ➤ Total number of IS/SF applications received: | 501 |

- F. New installment seller and sales finance company applications processed:
- Number of approved installment seller applications: 256
 - Number of non-approved installment seller applications: 151
 - Number of approved sales finance company applications: 49
 - Number of non-approved sales finance company applications: 45
 - Total number of approved IS/SF applications: 305
 - Total number of non-approved IS/SF applications: 196
- G. New applications denied: 1
- One installment seller application was denied in fiscal year 2015. The notice of denial was appealed by the applicant; the case is currently pending.
 - No sales finance company applications were denied in fiscal year 2015.
- H. New applications processed within 90 days after receipt of complete application:
- All new applications were processed, approved or cancelled within the 90-day requirement.
- I. Amount of money returned to licensees and applicants pursuant to Section 6a:
- None.

Statutory requirement.

Section 6a of the Motor Vehicle Sales Finance Act states:

(1) Subject to subsection (3), beginning on the effective date of the amendatory act that added this section, the administrator shall approve or reject a new or renewal license application within 90 days after the date a complete application under section 4 is received by the office of financial and insurance services or the date it is received by another agency or department of state government on behalf of the office of financial and insurance services, whichever is earlier.

(2) If an application described in subsection (1) is considered incomplete by the administrator, the administrator shall notify the applicant in writing or electronically within 30 days after receipt of the incomplete application, describing the deficiency and requesting the additional information, the unpaid fee, or the bond. The 90-day time period described in subsection (1) is tolled upon notification by the administrator of a deficiency until the date the requested information is received by the administrator.

The determination of the completeness of an application does not operate as an approval of the application for the license and does not confer eligibility of an applicant determined otherwise ineligible for issuance of a license. The tolling of the 90-day time period under this subsection does not allow the administrator to otherwise delay the processing of the application, and that application, upon completion, shall be placed in sequence with other complete applications received at that same time.

(3) If the administrator fails to issue or deny a license within the time required by this section, the administrator shall return the license fee and shall reduce the license fee for the applicant's next renewal application, if any, by 15%. The administrator shall not discriminate against an applicant in the processing of the application based upon the fact that the license fee was refunded or discounted under this subsection.

(4) Beginning October 1, 2005, the administrator shall submit a report by December 1 of each year to the standing committees of the senate and house of representatives concerned with commerce issues and to the appropriations subcommittees of the senate and house of representatives generally responsible for appropriations to the office of financial and insurance services. The administrator shall include all of the following information in the report concerning the preceding fiscal year:

(a) The number of initial and renewal applications the administrator received and completed within the 90-day time period described in subsection (1).

(b) The number of applications denied.

(c) The number of applicants not issued a license within the 90-day time period and the amount of money returned to licensees and registrants under subsection (3).