

FREQUENTLY ASKED QUESTIONS – Good Moral Character & Financial Stability Issues

Q: Would someone with past felony convictions be denied? Would the convictions have to be specifically related to the construction/building industry?

A: The Department reviews “good moral character” as a tool for determining one of the licensing criteria. An applicant’s criminal convictions are considered negative indicators of good moral character as defined by [Article 24](#) of the [Occupational Code](#) and by the [Occupational License for Former Offenders Act](#). The Department needs to determine if an applicant is likely to serve the public in a fair, honest, and open manner. All felony convictions that are considered by the Department as reasonably related to the licensed occupation will be factored in the determination of the applicant’s good moral character.

Q: Is there a specific set of criteria or guidelines in the determination process?

A: Each application is considered of its own merit by the Department. The applicant must disclose if he/she has been ever convicted of a felony on the licensing application. The applicant must complete and submit the form “Request for Conviction History of Applicant” (LBE-020) with the application, which is available on the Builders website at www.michigan.gov/builders under “Forms & Publications.” Upon review of the Request for Conviction History of Applicant, the Department may require the applicant to obtain court documents relative to the felony conviction (s). The applicant will receive a form to submit to the court to obtain the court records. The applicant will also provided an opportunity to respond in writing regarding the felony conviction (s) by providing evidence that demonstrates to the Department, that at the current time the applicant possess good moral character. The Department will use the information submitted to evaluate whether the applicant has the ability to service the public in a fair, honest and open manner. The applicant should submit any proof that demonstrates his/her rehabilitation, or show that the substance of the former offense is unrelated to the profession. If the Department determines that an applicant does not meet the requirements for licensure, the denial of the application will be issued. The applicant receives a written denial of the application. The applicant may then submit a written request within 30 days to petition the Residential Builders’ and Maintenance & Alteration Contractors’ Board for a review of the application denial. The applicant may appear in person before the board and present information and materials that support his/her qualifications for licensure. The Department takes the board’s recommendation under advisement in taking final action on the application.

Q: What exactly is meant by "financial stability"? What are the determining factors regarding this issue?

A: The Department may require an applicant to demonstrate “financial stability” as permitted by [Article 24](#) of the [Occupational Code](#). An application denial may be issued if an applicant has “(become) insolvent, (filed) a bankruptcy action, (become) subject to a receivership, (assigned debts) for the benefit of creditors, (failed) to satisfy judgments or liens, or (failed) to pay an obligation as it (became) due in the ordinary course of business” ([MCL 339.2411\(2\)\(l\)](#)). The Department requests that all applicants provide information related to the above requirement as part of the application process. The Department also reviews a credit report in making a determination on financial stability. If the Department denies an application on the basis of a lack of financial stability, the same appeal process would apply.