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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
R. KEVIN CLINTON  
COMMISSIONER

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DIRECTOR

June 17, 2011

**IMMEDIATE ATTENTION:  
Mortgage Loan Originator License Required July 31, 2011**

Under Section 5(5) of the Mortgage Loan Originator Licensing Act, MCL 493.135(5), certain individuals acting as mortgage loan originators were granted an extension of time until July 31, 2011, before mortgage loan originator licensure is required. This extension of time applies only to individuals employed exclusively by a mortgage servicer and solely performing loan modification activities on behalf of that mortgage servicer.<sup>1</sup> This extension of time expires on July 30, 2011. Accordingly, on or before July 31, 2011, all individuals conducting mortgage loan modification activities (as defined by the Act and set forth below) under this extension of time are required to be properly licensed under the Mortgage Loan Originator Licensing Act, 2009 PA 75, MCL 493.131, as amended (“Act”). All individuals who have been engaged in mortgage loan modification activities under this extension of time and continue to do so without the required Michigan mortgage loan originator license after the July 30, 2011 expiration are subject to regulatory enforcement action.

To obtain a Michigan mortgage loan originator license, an individual must make application through the Nationwide Mortgage Licensing System (“NMLS”), meet all licensing requirements, **and receive approval as a Michigan mortgage loan originator from the Office of Financial and Insurance Regulation** on or before July 31, 2011. An individual that has a pending mortgage loan originator application is not approved or authorized to originate mortgage loans.

Section 3(j) of the Act defines “Loan modification activities” as:

- (i) Collecting or receiving payments, including payments of principal, interest, escrow amounts, and other amounts due, on existing residential mortgage loans due and owing to a mortgagor or mortgage servicer, when the borrower is in default or in reasonably foreseeable likelihood of default.
- (ii) Working with a borrower described in subparagraph (i) to collect data concerning the borrower's residential mortgage loan or loans.
- (iii) Making any decisions necessary to modify, either temporarily or permanently, certain terms of the residential mortgage loan or loans of a borrower described in subparagraph (i) or to otherwise finalize collection through the foreclosure process. These decisions may include changing the principal amount, the rate

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<sup>1</sup> All other individuals performing loan modification activities who did not meet the requirements for the extension under section 5(5), and were not otherwise exempt from licensure, were subject to be licensed under the Mortgage Loan Originator Licensing Act on July 31, 2010.

of annual interest charged, or the term of a residential mortgage loan; waiving any fees or charges, including late charges, a borrower is obligated to pay; deferring residential mortgage loan payments; or making similar adjustments to a borrower's residential mortgage loan or the borrower's obligations under the loan.

An individual may not originate mortgage loans or engage in loan modification activities in Michigan unless that individual is licensed to do so, or otherwise exempted from licensure. An individual that is required to be licensed under the Act and originates mortgage loans or engages in loan modification activities without the required license is in violation of the Mortgage Loan Originator Licensing Act and subject to appropriate penalties.

Please contact our office immediately via telephone toll free at 877-999-6442, and ask for the Consumer Finance Licensing Unit if you have any questions concerning this letter.

Sincerely,

/s/

Mark W. Weigold, Director  
Consumer Finance Section