



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

November 24, 2003

TO ALL LICENSEES AND REGISTRANTS UNDER THE MORTGAGE BROKERS,
LENDERS, AND SERVICERS LICENSING ACT (MBLSLA), THE CONSUMER
FINANCIAL SERVICES ACT (CFSA), AND THE SECONDARY MORTGAGE LOAN ACT
(SMLA)

The Michigan Office of Financial and Insurance Services ("OFIS") has learned that some mortgage brokers are contacting current customers of mortgage lenders by direct mail solicitation. These solicitations use names of mortgage lenders in such a way that consumers believe it was sent to them by their lender. Many consumers also believe, based on these solicitations, that their private financial information has been shared with another entity. Please be advised that OFIS strongly disapproves of this practice and considers it a violation of Section 22a of the MBLSLA, MCL 445.1672a, Section 26 of the SMLA, MCL 493.76, and Section 9 of the CFSA, MCL 487.2059 subject to administrative action. Lenders and brokers of every kind are responsible for their advertising and OFIS will not tolerate any advertisements, including direct mail solicitation and telemarketing calls that tend to, directly or indirectly, mislead or deceive consumers. OFIS will aggressively pursue violators of these statutes and seek the harshest penalties allowed by law, up to, and including, administrative orders prohibiting any violator from being employed by, an agent of, or control person of a licensee or registrant under this act or a licensee or registrant under a financial licensing act and prosecution under a criminal act, as appropriate.

OFIS does not object to truthful advertisements that are neither deceptive nor misleading. Competition is an essential and encouraged element of Michigan's mortgage loan business. However, deceptive or misleading advertising will not be tolerated. If you have any questions on this topic, please contact the Conduct Review and Securities Division at (877) 999-6442.

Sincerely,

Linda A. Watters, Commissioner
Office of Financial and Insurance Services