

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of

Neighborhoods Inc. of Battle Creek
NMLS ID No. 292171
47 North Washington Avenue
Battle Creek, MI 49037

Order No. 23-17549

Applicant.

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**Issued and entered
On September 4, 2024,
by Judith A. Weaver,
Senior Deputy Director**

ORDER GRANTING EXEMPTION UNDER MCL 445.1675a

On March 18, 2013, the Governor, by Executive Order 2013-1, transferred the authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation to the Director of the Department of Insurance and Financial Services (Director).

The Director having been statutorily charged with the responsibility and authority to administer and implement the Mortgage, Brokers, Lenders, and Servicers Licensing Act (the Act), 1987 P.A. 173, as amended, MCL 445.1651 *et seq.*, pursuant to the provisions therein; and,

The Director having been granted general supervisory power and control over all mortgage brokers, mortgage lenders, and mortgage servicers doing business in the state of Michigan under the provisions of the Act; and,

The Director having been vested with broad discretion in granting licenses and determining the suitability of applicants for licensure under the Act; and,

The legislature having vested in the Director the authority and discretion to grant an exemption from the licensing requirements of the Act to a person that the Director believes merits the confidence of the community and meets certain requirements set forth in Section 25a(1-2) of the Act, MCL 445.1675a(1-2); and,

Neighborhoods Inc. of Battle Creek (hereinafter, the Applicant) having made written application to the Director requesting an exemption under Section 25a of the Act; and,

The Director's staff having, accordingly, conducted a full and complete review and investigation of the Applicant's application for exemption, and having made the following determinations:

- a) The Applicant merits the confidence of the community.
- b) The Applicant is exempt from federal income taxes under section 501(c) of the internal revenue code of 1986;
- c) The Applicant administers a mortgage loan program funded or sponsored by one or more depository financial institutions, state or federal governmental entities, or charitable, religious, or other nonprofit organizations;
- d) The Applicant's mortgage loan program is targeted exclusively to persons who would not otherwise have access to affordable mortgage loans from traditional mortgage lending sources;
- e) The Applicant's housing development efforts have the support of the agency of its local governmental jurisdiction responsible for community development;
- f) The Applicant's mortgage lending activity is limited to a defined geographic area in this state, not larger than a county in the case of a metropolitan statistical area;
- g) The Applicant has the capacity to accomplish its business plan;
- h) The Applicant does not directly or indirectly share with another person any portion of fees paid to the organization in connection with a mortgage loan;
- i) The Applicant will comply with state and federal law and with the spirit and intent of section 22a of the Act; and

The Director's staff having further concluded from that review and investigation of the Applicant's application for an exemption that granting the Applicant's exemption is in the public interest; and, the Director's staff having recommended to the Director that they grant the Applicant's request for an exemption from the licensing requirements of the Act, subject to the following conditions:

- a) The Applicant will comply with the requirements set forth in Section 23 of the Act, MCL 445.1673; and,
- b) The Applicant will be subject to an examination of its books and records once during every twenty-four-month period. Notwithstanding the foregoing, the Director may examine the books and records more often if the Director determines further oversight necessary and appropriate. The Applicant will pay the actual travel, lodging, and meal expenses incurred by the Director's staff who travel to examine its books and records; and,
- c) The Applicant will annually file a report of its brokering, lending, and servicing activity with the Director. The report will be in a form approved by the Director and provide information concerning the Applicant's business operations during the immediately preceding year; and,
- d) The Applicant will comply with applicable state and federal law and the spirit and intent of Section 22a of the Act, MCL 445.1672a; and,
- e) If the Applicant ceases to meet any of one of the requirements set forth in Section 25a(1-2)) of the Act, it will immediately provide written notification to the Director and, subject to Section 19 of the Act, MCL 445.1669, cease conducting any new activity subject to the Act.

The Director being fully advised in the premises,

NOW, THEREFORE, IT IS ORDERED that the Applicant's request for exemption from licensing requirements of the Act shall be and hereby is granted, subject to the following conditions:

- a) The Applicant shall comply with the requirements set forth in Section 23 of the Act, MCL 445.1673; and,
- b) The Applicant shall be subject to an examination of its books and records once during every twenty-four month period. Notwithstanding the foregoing, the Director may examine the books and records more often if the Director determines further oversight necessary and appropriate. The Applicant shall pay the actual travel, lodging, and meal expenses incurred by the Director's staff who travel to examine its books and records; and,
- c) The Applicant shall annually file a report of its brokering, lending, and servicing activity with the Director. The report shall be in a form approved

by the Director and provide information concerning the Applicant's business operations during the immediately preceding year; and,

- d) The Applicant shall comply with applicable state and federal law and the spirit and intent of Section 22a of the Act, MCL 445.1672a; and,
- e) If the Applicant ceases to meet any of one of the requirements set forth in Section 25a(1-2) of the Act, it shall immediately provide written notification to the Director and, subject to Section 19 of the Act, MCL 445.1669, shall cease conducting any new activity subject to the Act.;

The Director specifically retains jurisdiction of the matter contained herein to issue such further order or orders as the Director deems just, necessary, or appropriate to assure compliance with the law and protect the public interest.

IT IS SO ORDERED.



Judith A. Weaver,
Senior Deputy Director