

MOTOR VEHICLE SALES FINANCE ACT (EXCERPT)
Act 27 of 1950 (Ex. Sess.)

492.105 Bond to accompany first license application; bond applicable to principal place of business; form; penal sum; execution; condition; action on bond; filing new bond or renewal certificate.

Sec. 5.

(a) Except as provided in subdivision (b), a bond, in the form prescribed by the administrator, in the penal sum of \$20,000.00 shall accompany the first application by a person for license as a sales finance company and shall apply only to the principal place of business of the licensee. A bond, in the form prescribed by the administrator, in the penal sum of \$10,000.00 shall accompany each application by a licensee for an additional location to transact business as a sales finance company.

(b) Each bond required under subdivision (a) shall be in the penal sum of \$5,000.00 if the applicant is licensed under the mortgage brokers, lenders, and servicers licensing act, Act No. 173 of the Public Acts of 1987, being sections 445.1651 to 445.1683 of the Michigan Compiled Laws, Act No. 125 of the Public Acts of 1981, being sections 493.51 to 493.81 of the Michigan Compiled Laws, or the regulatory loan act of 1963, Act No. 21 of the Public Acts of 1939, being sections 493.1 to 493.26 of the Michigan Compiled Laws.

(c) The bond required under subdivision (a) shall be executed by a surety company authorized by the laws of this state to transact business within this state. A bond accompanying an application for license as a sales finance company, filed by a financial institution located within this state, may be executed by a financial institution on its own behalf, instead of a bond executed by a surety company. The bond shall be executed to the state of Michigan and shall be for the use of the state and for any person or persons. The condition of the bond shall be that the licensee will comply with and abide by all the provisions of this act, and all the rules and regulations of the administrator lawfully issued, and that the licensee will pay to the state, to the administrator or to any person or persons, any and all money that may become due to the state, to the administrator or to any person or persons from the licensee under the provisions of this act. A person who is aggrieved by the misconduct of a licensee and who has recovered a judgment against a licensee, and whose judgment is not satisfied within 30 days after it becomes final, may maintain an action upon the bond of the licensee in any court having jurisdiction of the amount claimed. Service of process for such an action may be served anywhere within this state.

(d) A new bond or renewal certificate shall accompany every application for renewal license and shall be filed annually at least 15 days before July 1.

History: 1950, Ex. Sess., Act 27, Eff. Mar. 31, 1951 ;-- Am. 1988, Act 242, Eff. Aug. 1, 1988