

State Budget Office
Office of Regulatory Reinvention
111 S. Capitol Avenue; 8th Floor, Romney Building,
Lansing, MI 48933
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REQUEST FOR RULEMAKING (RFR)

Under the Administrative Procedures Act (APA), 1969 PA 306, the agency that has the statutory authority to promulgate rules must electronically file a RFR with the Office of Regulatory Reinvention (ORR) before initiating any changes or additions to the rules. Submit copy to the ORR at orr@michigan.gov.

1. Agency Information

Agency name:	Department of Insurance and Financial Services
Division/Bureau/Office:	Office of General Counsel
Name, title, phone number, and e-mail of person completing this form:	Sarah Wohlford, Deputy General Counsel, 517-284-8743, wohlfords@michigan.gov

2. Rule Set Information

Title of proposed rule set:	Debt Management
Rule number(s) or range of numbers:	R 451.1221 through R 451.1246
Included in agency's annual regulatory plan as rule to be processed in current year?	Yes.

3. Estimated timetable for completion, or statutory deadline, if applicable:

As soon as possible.

4. Describe the general purpose of these rules, including any problem(s) the changes are intended to address:

These rules implement provisions of the Debt Management Act, MCL 451.411 <i>et seq.</i> (DMA). The proposed amendments reflect changes necessitated by the amendment of the DMA by PA 362 of 2014, effective March 16, 2015.
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5. Cite the specific rule promulgation authority (i.e. agency director, commission, board, etc., listing all applicable statutory references. If the rule(s) are mandated by any applicable constitutional or statutory provision, please explain.

These rules are promulgated under authority conferred on the director of DIFS by MCL 451.432.

6. Describe the extent to which the rule(s) conflict with, duplicate, or exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level. Include applicable public act and statutory references.

Licenses under the DMA are governed primarily by state law. These rules do not conflict with, duplicate, or exceed similar regulations, compliance requirements or other standards adopted at the state, regional, or federal level.
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7. Is the subject matter of the rule(s) currently contained in any guideline, manual, handbook, instructional bulletin, form with instructions, or operational memo?

The amended DMA eliminates an examination requirement for prospective licensees. The elimination of that requirement is described in a memorandum to the industry dated February 10, 2015 (found here: https://www.michigan.gov/documents/difs/DM_Act_Memo_481276_7.pdf).
The schedule of fees for licensure is found here:

https://www.michigan.gov/documents/difs/Schedule_of_Fees-Debt_Management_472274_7.pdf.

The amended rules will reflect the new fee.

The application for licensees under the DMA is found here:

https://www.michigan.gov/documents/FIS_0506_ALL_105813_7.pdf. Within that application are links to the surety bond requirements described in the rules; a form indicating compliance with that requirement is here: https://www.michigan.gov/documents/cis_ofis_fis_0508_23570_7.pdf. The DMA permits, but does not require, DIFS to allow applicants to deposit cash in lieu of a bond; the amendments to the rules will eliminate that option and will, if promulgated, necessitate the elimination of this form: https://www.michigan.gov/documents/cis_ofis_fis_0509_23571_7.pdf.

8. Explain whether the rule(s) will be promulgated under Sections 44 or 48 of the APA or the full rulemaking process:

These amendments will be promulgated under the full rulemaking process.

9. Do the rule(s) incorporate the recommendations of any Advisory Rules Committee formed pursuant to Executive Order 2011-5? If yes, explain.

No.

10. Is there an applicable decision record as defined in Section 3(6) and required by Section 39(2) of the APA? If so, please attach the decision record.

No.

11. Reviewed by the following Departmental Regulatory Affairs Officer:

Sarah Wohlford

 ↓ To be completed by the ORR ↓

Date RFR received: 3-12-2019

Based on the information in this RFR, the ORR concludes that there are sufficient policy and legal bases for approving the RFR.

ORR assigned rule set number:	2019-032 IF
Date of approval:	3/18/19

Based on the information in this RFR, the ORR is not approving the RFR at this time.

Date of disapproval:	
Explanation:	