

# HOUSE BILL No. 4622

March 21, 1991, Introduced by Reps. Profit, Palamara, Bennett, Murphy, Griffin, Porreca, Clack, Joe Young, Jr., Wallace, Hertel and DeMars and referred to the Committee on Corporations and Finance.

A bill to amend the title and section 3 of Act No. 125 of the Public Acts of 1966, entitled

"An act to require certain mortgagees and their agents to furnish annual statements to mortgagors; and to prescribe certain rights and duties,"

being section 565.163 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and section 3 of Act No. 125 of the  
2 Public Acts of 1966, being section 565.163 of the Michigan  
3 Compiled Laws, are amended to read as follows:

### 4 TITLE

5 An act to require certain mortgagees and their agents to  
6 furnish annual statements to mortgagors; ~~and~~ to prescribe cer-  
7 tain rights and duties; AND TO PRESCRIBE REMEDIES.

8 Sec. 3. (1) If, pursuant to an agreement, a mortgagor has  
9 paid sufficient funds into an escrow account for the purpose of

1 paying PROPERTY taxes on mortgaged real property, ~~and if the~~  
2 ~~mortgagee or his agent has not paid those property taxes, then~~  
3 ~~the person to whom the mortgagor paid the funds shall be liable~~  
4 ~~to the mortgagor for any penalties or fees incurred by the mort-~~  
5 ~~gagor as a result of that failure to pay taxes~~ THEN THE MORTGA-  
6 GEE SHALL PAY THE PROPERTY TAXES NOT LATER THAN THE DATE THE  
7 TAXES ARE DUE OR DECEMBER 31 OF THE YEAR IN WHICH THE TAXES ARE  
8 DUE, WHICHEVER OCCURS FIRST.

9 (2) A MORTGAGEE WHO VIOLATES SUBSECTION (1) IS LIABLE TO THE  
10 MORTGAGOR FOR ANY PENALTIES, FEES, OR OTHER DAMAGES INCURRED BY  
11 THE MORTGAGOR AS A RESULT OF THE MORTGAGEE'S VIOLATION.