

# HOUSE BILL No. 6311

December 2, 1998, Introduced by Rep. Whyman and referred to the Committee on Commerce.

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
by amending section 3240 (MCL 600.3240), as amended by 1996 PA  
214.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3240. (1) A purchaser's deed is void if the mortgagor,  
2 the mortgagor's heirs, executors, or administrators, or any  
3 person lawfully claiming under the mortgagor, the mortgagor's  
4 heirs, executors, or administrators redeems the entire premises  
5 sold by paying the amount required under subsection (2), within  
6 the applicable time limit prescribed in subsections (7) to ~~(12)~~  
7 (13), to the purchaser, the purchaser's executors, administra-  
8 tors, or assigns, or to the register of deeds in whose office the  
9 deed is deposited for the benefit of the purchaser.

1       (2) The amount required to be paid under subsection (1) is  
2 the sum that was bid for the entire premises sold, with interest  
3 from the time of the sale at the rate percent borne by the mort-  
4 gage, together with the amount of the sheriff's fee paid by the  
5 purchaser under section 2558(2)(q), and an additional \$3.00 as a  
6 fee for the care and custody of the redemption money if the pay-  
7 ment is made to the register of deeds.

8       (3) If a distinct lot or parcel separately sold is redeemed,  
9 leaving a portion of the premises unredeemed, the deed shall be  
10 inoperative only to the redeemed parcel or parcels, and to those  
11 portions that have not been redeemed the deed shall remain  
12 valid.

13       (4) If after the sale the purchaser, the purchaser's heirs,  
14 executors, or administrators, or any person lawfully claiming  
15 under the purchaser, the purchaser's heirs, executors, or admin-  
16 istrators pays taxes assessed against the property, amounts nec-  
17 essary to redeem senior liens from foreclosure, or premiums on an  
18 insurance policy covering any buildings located on the property  
19 that under the terms of the mortgage it would have been the duty  
20 of the mortgagor to pay if the mortgage had not been foreclosed  
21 and that are necessary to keep the policy in force until the  
22 expiration of the period of redemption, redemption shall be made  
23 only upon payment of the sum specified in subsection (2) plus the  
24 amounts specified in this subsection with interest on the amounts  
25 specified in this subsection from the date of the payment to the  
26 date of redemption at the rate specified in the mortgage, if all

1 of the following are filed with the register of deeds with whom  
2 the deed is deposited:

3 (a) An affidavit by the purchaser or someone in his or her  
4 behalf who has knowledge of the facts of the payment showing the  
5 amount and items paid.

6 (b) The receipt or copy of the canceled check evidencing the  
7 payment of the taxes, amounts necessary to redeem senior liens  
8 from foreclosure, or insurance premiums.

9 (c) An affidavit of an insurance agent of the insurance com-  
10 pany stating that the payment was made and what portion of the  
11 payment covers the premium for the period prior to the expiration  
12 of the period of redemption.

13 (5) If the redemption payment in subsection (4) includes an  
14 amount used to redeem a senior lien from a nonjudicial foreclo-  
15 sure, the mortgagor shall have the same defenses against the pur-  
16 chaser with respect to the amount used to redeem the senior lien  
17 as the mortgagor would have had against the senior lien.

18 (6) The register of deeds shall indorse on the documents  
19 filed pursuant to subsection (4) the time they are received. The  
20 register of deeds shall record the affidavit of the purchaser  
21 only and shall preserve in his or her files the recorded affida-  
22 vit, receipts, insurance receipts, and insurance agent's affida-  
23 vit until expiration of the period of redemption.

24 (7) For a mortgage executed on or after January 1, 1965, on  
25 commercial or industrial property, or multifamily residential  
26 property in excess of 4 units, the redemption period is 6 months  
27 from the time of the sale.

1       (8) For a mortgage executed on or after January 1, 1965, on  
2 residential property not exceeding 4 units and not more than 3  
3 acres in size, if the amount claimed to be due on the mortgage at  
4 the date of the notice of foreclosure is more than 66-2/3% of the  
5 original indebtedness secured by the mortgage, the redemption  
6 period is 6 months.

7       (9) For a mortgage on residential property not exceeding 4  
8 units and not more than 3 acres in size, if the property is aban-  
9 doned as determined pursuant to section 3241, the redemption  
10 period is 3 months.

11       (10) For a mortgage on residential property not exceeding 4  
12 units and not more than 3 acres in size, if the amount claimed to  
13 be due on the mortgage at the date of the notice of foreclosure  
14 is more than 66-2/3% of the original indebtedness secured by the  
15 mortgage and the property is abandoned as determined pursuant to  
16 section 3241, the redemption period is 1 month.

17       (11) If the property is abandoned as determined pursuant to  
18 section 3241a, the redemption period is 30 days.

19       (12) FOR A MORTGAGE ON A SINGLE-FAMILY RESIDENTIAL PROPERTY,  
20 WHERE CONSTRUCTION HAD NOT BEEN COMPLETED AND A CERTIFICATE OF  
21 OCCUPANCY HAD NOT BEEN ISSUED ON OR BEFORE THE DATE OF THE NOTICE  
22 OF FORECLOSURE, THE REDEMPTION PERIOD IS 14 DAYS.

23       (13) ~~-(12)-~~ In any other case, the redemption period is 1  
24 year from the date of the sale.