

SENATE BILL NO. 613

May 25, 1999, Introduced by Senators BULLARD and STEIL and referred to the Committee on Judiciary.

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 to the purchaser, the purchaser's executors, administrators, or
8 assigns, or to the register of deeds in whose office the deed is
9 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, CONDOMINIUM
18 ASSESSMENTS, HOMEOWNER ASSOCIATION ASSESSMENTS, COMMUNITY ASSOCI-
19 ATION ASSESSMENTS, or premiums on an insurance policy covering
20 any buildings located on the property that under the terms of the
21 mortgage it would have been the duty of the mortgagor to pay if
22 the mortgage had not been foreclosed and that are necessary to
23 keep the policy in force until the expiration of the period of
24 redemption, redemption shall be made only upon payment of the sum
25 specified in subsection (2) plus the amounts specified in this
26 subsection with interest on the amounts specified in this
27 subsection from the date of the payment to the date of redemption

1 at the rate specified in the mortgage, if all of the following
2 are filed with the register of deeds with whom the deed is
3 deposited:

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

7 (b) The receipt or copy of the canceled check evidencing the
8 payment of the taxes, amounts necessary to redeem senior liens
9 from foreclosure, CONDOMINIUM ASSESSMENTS, HOMEOWNER ASSOCIATION
10 ASSESSMENTS, COMMUNITY ASSOCIATION ASSESSMENTS, or insurance
11 premiums.

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

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

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

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

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

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

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

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

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

25 Enacting section 1. This amendatory act does not take
26 effect unless Senate Bill No. 612

1 of the 90th Legislature
2 is enacted into law.