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REAL ESTATE BROKERS: DEPOSITS TO OTHER ESCROWEES

House Bill 4987

Sponsor: Rep. Michael Bishop

Committee: Commerce

Complete to 11-2-01

A SUMMARY OF HOUSE BILL 4987 AS INTRODUCED 6-21-01

The bill would amend a section of the Occupational Code that deals with licensed real estate brokers and salespersons in order to specify that in cases when a seller and purchaser have signed a purchase agreement that provides that a deposit be held by an escrowee other than the real estate broker, a licensee in possession of the deposit would deliver the deposit to the named escrowee.

(The act is currently understood to say that a real estate broker can deposit money belonging to others only in a separate custodial trust or escrow account maintained by the broker with a bank or other recognized depository until a transaction is consummated or terminated. The act is understood not to permit a real estate broker to deposit such money with another escrowee. There is an attorney general's opinion on this subject: number 7064, issued on October 27, 2000. The bill would permit a real estate broker to deposit such funds with another escrowee in accordance with a purchase agreement signed by the seller and the buyer in a real estate transaction.)

MCL 339.2512

House Bill 4987 (11-2-01)

Analyst: C. Couch

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