

Legislative Analysis



DEADLINE FOR FILING MORTGAGE DISCHARGE

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House Bill 4817 (Substitute H-1)

Sponsor: Rep. David Farhat

Committee: Commerce

Complete to 6-24-04

A SUMMARY OF HOUSE BILL 4817 AS REPORTED FROM COMMITTEE

The bill would amend Chapter 65 of the Revised Statutes of 1846, which deals in part with the recording and canceling of mortgages, in the following ways.

- Currently, a mortgagee or personal representative or assignee of the mortgagee must file a discharge of the mortgage with the register of deeds within 90 days after a mortgage has been paid or otherwise satisfied and discharged. The bill would require the filing of a discharge within 75 days, for the first two years after the bill's effective date, and within 60 days, after that.
- Currently, if a mortgagee refuses or neglects to file the discharge of a mortgage within the time required, the mortgage is liable to the mortgagor for \$100 damages, as well as actual damages caused by the neglect or refusal. The bill would make the mortgagee liable for \$1,000 damages and all actual damages.

The bill also would make a number of modernizing amendments to the language of the statute.

MCL 565.41 and 565.44

FISCAL IMPACT:

There is no fiscal impact on either the State or on local units of government.

POSITIONS:

Among those indicating support for the bill to the House Committee on Commerce were the Michigan Association of Homebuilders; the Michigan Bankers Association; the Michigan Credit Union League; the Michigan Mortgage Brokers Association; and the Michigan Mortgage Lenders Association. (6-22-03)

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