

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 931

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending sections 48i and 49j (MCL 125.1448i and 125.1449j),
section 48i as added by 1981 PA 173 and section 49j as amended by
1993 PA 221.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 48i. (1) The mortgagor, ~~his or her~~ **the mortgagor's**
2 heirs, executors, ~~or~~ administrators, ~~or~~ or any person lawfully
3 claiming ~~from or~~ under the mortgagor or the mortgagor's heirs,
4 executors, or administrators may redeem the entire premises sold
5 by paying, within 6 months from the ~~time~~ **date** of the sale, to
6 the purchaser ~~or to~~ **or** the purchaser's executors,
7 administrators, or assigns, ~~or~~ or to the register of deeds in
8 whose office the deed of sale is deposited as provided in the
9 court rules, for the benefit of the purchaser, the sum which was

Senate Bill No. 931 (H-1) as amended December 9, 2004

1 amount required to redeem the property, including any daily per
 2 diem amounts, and the date by which the property must be redeemed
 3 shall be stated in the certificate of sale. [

4
 5] The purchaser
 6 may include in the affidavit the name of a designee responsible
 7 on behalf of the purchaser to assist the person redeeming the
 8 property in computing the exact amount required to redeem the
 9 property. The designee may charge a fee as stated in the
 10 affidavit [and may be authorized by the purchaser to receive redemption
 funds]. The purchaser shall accept the amount computed by the
 11 designee.

[(4) The amount stated in any affidavits recorded under this section shall be the amount necessary to satisfy the requirements for redemption under this section.]

12 Sec. 49j. (1) If the mortgagor, ~~his or her~~ **the**
 13 **mortgagor's** heirs, executors, ~~or~~ administrators, ~~or~~ or any
 14 person lawfully claiming ~~from, or~~ under the mortgagor or the
 15 mortgagor's heirs, executors, or administrators, redeems the
 16 entire premises sold within the ~~applicable time limit~~ **time**
 17 prescribed in this section by paying to the purchaser ~~or to~~ **or**
 18 the purchaser's executors, administrators, or assigns, ~~or to~~
 19 the register of deeds in whose office the deed is deposited for
 20 the benefit of the purchaser, the sum which was bid for the
 21 premises, with interest from the ~~time~~ **date** of the sale at the
 22 **interest** rate ~~percent, borne~~ **provided for** by the mortgage, and
 23 in case the payment is made to the register of deeds, the sum of
 24 \$5.00 as a fee for the care and custody of the redemption money,
 25 then the deed ~~shall be~~ **is** void. ~~and of no effect.~~ If a
 26 distinct lot or parcel separately sold is redeemed, leaving a
 27 portion of the premises unredeemed, then the deed ~~shall be~~

Senate Bill No. 931 (H-1) as amended December 9, 2004

1 ~~inoperative merely~~ is void only as to the parcel or parcels ~~so~~
 2 redeemed. ~~—, and to those portions not so redeemed shall remain~~
 3 valid and of full effect. **[The register of deeds shall not determine the**
 4 **amount necessary for redemption.**

5 **]** The purchaser shall attach an affidavit with
 6 the deed to be recorded that states the exact amount required to
 7 redeem the property, including any daily per diem amounts, and
 8 the date by which the property must be redeemed shall be stated
 9 in the certificate of sale. **[**

10

11 **]** The purchaser may include in the
 12 affidavit the name of a designee responsible on behalf of the
 13 purchaser to assist the person redeeming the property in
 14 computing the exact amount required to redeem the property. The
 15 designee may charge a fee as stated in the affidavit **[and may be**
authorized by the purchaser to receive redemption funds]. The
 16 purchaser shall accept the amount computed by the designee.

17 (2) If, following the sale, the purchaser pays ~~a sum as any~~
 18 taxes assessed against the property or **insurance** premiums ~~upon~~
 19 ~~an insurance policy~~ covering any buildings located on the
 20 property which under the terms of the mortgage ~~it would have~~
 21 ~~been~~ **were** the duty of the mortgagor ~~to have paid, had the~~
 22 ~~mortgage not been foreclosed,~~ and ~~which premiums~~ are necessary
 23 to keep the policy in force until the expiration of the period of
 24 redemption, and the purchaser or ~~someone in his or her behalf~~ **a**
 25 **representative of the purchaser** having knowledge of the facts
 26 ~~makes~~ **may make** an affidavit of the payment showing the amount
 27 and items paid, together with the receipt ~~evidencing the~~ **of**

1 payment of the taxes or insurance premiums, ~~as the case may be,~~
2 together with an affidavit of an insurance agent of the insurance
3 company stating the making of the payment and also what portion
4 of the policy covers the premium for the period ~~prior to~~ **before**
5 the expiration of the period of redemption, the affidavits and
6 the receipt shall be filed with the register of deeds with whom
7 the deed is deposited, who shall endorse on the deed the time the
8 affidavits and receipt were received. The register of deeds
9 shall record ~~at length~~ the affidavit of the purchaser only and
10 ~~shall preserve in his or her files~~ **file** the recorded affidavit,
11 together with the tax and insurance receipts and insurance
12 agent's affidavit, until expiration of the period of redemption.

13 (3) After the purchaser's affidavit is recorded **under this**
14 **section**, redemption shall only be made upon payment of the sum
15 specified in ~~this subsection plus the amount shown by the~~
16 ~~affidavits and receipts to have been so paid~~ **subsections (1) and**
17 **(2)**, with interest on the amount, from the date of the payment to
18 the date of redemption, at the **interest** rate specified in the
19 mortgage.

20 (4) ~~(2)~~ In the case of a mortgage executed on commercial or
21 industrial property, or multifamily residential property in
22 excess of 4 units, the redemption period is 6 months from the
23 time of the sale.

24 (5) ~~(3)~~ In the case of a mortgage executed on residential
25 property not exceeding 4 units and not more than 3 acres in size,
26 if the amount claimed to be due on the mortgage at the date of
27 the notice of foreclosure is more than 66-2/3% of the original

Senate Bill No. 931 (H-1) as amended December 9, 2004

1 indebtedness secured by the mortgage, the redemption period is 6
2 months.

3 **(6)** ~~—(4)—~~ In the case of a mortgage on residential property
4 not exceeding 4 units and not more than 3 acres in size, if the
5 property is abandoned as determined ~~pursuant to~~ **under** section
6 49k, the redemption period is 3 months.

7 **(7)** ~~—(5)—~~ In the case of any mortgage on residential property
8 not exceeding 4 units and not more than 3 acres in size, if the
9 amount claimed to be due on the mortgage at the date of the
10 notice of foreclosure is more than 66-2/3% of the original
11 indebtedness secured by the mortgage and the property is
12 abandoned as determined ~~pursuant to~~ **under** section 49k, the
13 redemption period is 1 month.

14 **(8)** ~~—(6)—~~ If the property is abandoned as determined
15 ~~pursuant to~~ **under** section 49v, the redemption period is 30
16 days.

17 **(9)** ~~—(7)—~~ In any other case not otherwise described in this
18 section, the redemption period is 1 year from the date of the
19 sale.

20 **(10)** If an automation fund is established under section 2568
21 of the revised judicature act of 1961, MCL 600.2568, any fees or
22 charges collected by the register of deeds under this section or
23 section 48i shall be credited to the automation fund.

**[(11) The amount stated in any affidavits recorded under this
section shall be the amount necessary to satisfy the requirements for
redemption under this section.]**