

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 ~~—, 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

1 bid with interest from the ~~time~~ **date** of the sale at the
 2 **interest** rate ~~percent borne~~ **provided for** by the mortgage.

3 (2) The vendee of a land contract, ~~;~~ ~~his or her~~ **the**
 4 **vendee's** heirs, executors, ~~or~~ administrators, ~~;~~ or any person
 5 lawfully claiming ~~from or~~ under the vendee of a land contract
 6 or the **vendee's** heirs, executors, or administrators ~~of the~~
 7 ~~vendee~~ of a land contract may redeem the entire premises sold
 8 within 6 months from the ~~time~~ **date** of the sale by paying to the
 9 purchaser ~~;~~ ~~to~~ **or** the purchaser's executors, administrators, or
 10 assigns, ~~;~~ or to the register of deeds in whose office the deed
 11 of sale is deposited as provided in the court rules, for the
 12 benefit of the purchaser, the sum which was bid with interest
 13 from the ~~time~~ **date** of the sale at the **interest** rate ~~percent~~
 14 ~~borne~~ **provided for** by the land contract. In case the sum is
 15 paid to the register of deeds, the sum of \$5.00 shall be paid to
 16 the register of deeds as a fee for the care and custody of the
 17 redemption money. ~~After these sums have been paid~~

18 (3) **Upon the payment of sums required under this section,** the
 19 deed of sale is void. ~~and of no effect, but in case any~~ **If a**
 20 distinct lot or parcel separately sold is redeemed, leaving a
 21 portion of the premises unredeemed, then the deed of sale is
 22 ~~inoperative merely~~ **void only** as to the portion or portions of
 23 the premises which are redeemed. ~~and to the portions not~~
 24 ~~redeemed it remains valid and of full effect.~~ **The redemption**
 25 **amount shall be determined by the redeeming party without the**
 26 **assistance of the register of deeds. The purchaser shall include**
 27 **an affidavit with the recorded deed that states the exact amount**

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

4 Sec. 49j. (1) If the mortgagor, ~~his or her~~ **the**
 5 **mortgagor's** heirs, executors, ~~or~~ administrators, ~~or~~ or any
 6 person lawfully claiming ~~from, or~~ under the mortgagor or the
 7 mortgagor's heirs, executors, or administrators, redeems the
 8 entire premises sold within the ~~applicable time limit~~ **time**
 9 prescribed in this section by paying to the purchaser ~~to~~ **or**
 10 the purchaser's executors, administrators, or assigns, ~~or~~ or to
 11 the register of deeds in whose office the deed is deposited for
 12 the benefit of the purchaser, the sum which was bid for the
 13 premises, with interest from the ~~time~~ **date** of the sale at the
 14 **interest** rate ~~percent, borne~~ **provided for** by the mortgage, and
 15 in case the payment is made to the register of deeds, the sum of
 16 \$5.00 as a fee for the care and custody of the redemption money,
 17 then the deed ~~shall be~~ **is** void. ~~and of no effect.~~ If a
 18 distinct lot or parcel separately sold is redeemed, leaving a
 19 portion of the premises unredeemed, then the deed ~~shall be~~
 20 ~~inoperative merely~~ **is void only as** to the parcel or parcels ~~so~~
 21 redeemed. ~~and to those portions not so redeemed shall remain~~
 22 ~~valid and of full effect.~~

23 (2) If, following the sale, the purchaser pays ~~a sum as~~ **any**
 24 taxes assessed against the property or **insurance** premiums ~~upon~~
 25 ~~an insurance policy~~ covering any buildings located on the
 26 property which under the terms of the mortgage ~~it would have~~
 27 ~~been~~ **were** the duty of the mortgagor ~~to have paid, had the~~

1 ~~mortgage not been foreclosed,~~ and ~~which premiums~~ are necessary
2 to keep the policy in force until the expiration of the period of
3 redemption, and the purchaser or ~~someone in his or her behalf~~ a
4 **representative of the purchaser** having knowledge of the facts
5 ~~makes~~ **may make** an affidavit of the payment showing the amount
6 and items paid, together with the receipt ~~evidencing the~~ of
7 payment of the taxes or insurance premiums, ~~as the case may be,~~
8 together with an affidavit of an insurance agent of the insurance
9 company stating the making of the payment and also what portion
10 of the policy covers the premium for the period ~~prior to~~ **before**
11 the expiration of the period of redemption, the affidavits and
12 the receipt shall be filed with the register of deeds with whom
13 the deed is deposited, who shall endorse on the deed the time the
14 affidavits and receipt were received. The register of deeds
15 shall record ~~at length~~ the affidavit of the purchaser only and
16 ~~shall preserve in his or her files~~ **file** the recorded affidavit,
17 together with the tax and insurance receipts and insurance
18 agent's affidavit, until expiration of the period of redemption.

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

26 (4) ~~(2)~~ In the case of a mortgage executed on commercial or
27 industrial property, or multifamily residential property in

1 excess of 4 units, the redemption period is 6 months from the
2 time of the sale.

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

9 (6) ~~—(4)—~~ In the case of a mortgage on residential property
10 not exceeding 4 units and not more than 3 acres in size, if the
11 property is abandoned as determined ~~pursuant to~~ **under** section
12 49k, the redemption period is 3 months.

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

20 (8) ~~—(6)—~~ If the property is abandoned as determined
21 ~~pursuant to~~ **under** section 49v, the redemption period is 30
22 days.

23 (9) ~~—(7)—~~ In any other case not otherwise described in this
24 section, the redemption period is 1 year from the date of the
25 sale.

26 (10) **If an automation fund is established under section 2568**
27 **of the revised judicature act of 1961, MCL 600.2568, any fees or**

1 charges collected by the register of deeds under this section or
2 section 48i shall be credited to the automation fund.