

Act No. 540
Public Acts of 2004
Approved by the Governor
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**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Senator Hammerstrom

ENROLLED SENATE BILL No. 931

AN ACT to amend 1966 PA 346, entitled "An act to create a state housing development authority; to define the powers and duties of the authority; to establish a housing development revolving fund; to establish a land acquisition and development fund; to establish a rehabilitation fund; to establish a conversion condominium fund; to authorize the making and purchase of loans, deferred payment loans, and grants to qualified developers, sponsors, individuals, mortgage lenders, and municipalities; to establish and provide acceleration and foreclosure procedures; to provide tax exemption; to authorize payments in lieu of taxes by nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations; and to prescribe criminal penalties for violations of this act," 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:

Sec. 48i. (1) The mortgagor, the mortgagor's heirs, executors, administrators, or any person lawfully claiming under the mortgagor or the mortgagor's heirs, executors, or administrators may redeem the entire premises sold by paying, within 6 months from the date of the sale, to the purchaser or the purchaser's executors, administrators, or assigns, or to the register of deeds in whose office the deed of sale is deposited as provided in the court rules, for the benefit of the purchaser, the sum which was bid with interest from the date of the sale at the interest rate provided for by the mortgage.

(2) The vendee of a land contract, the vendee's heirs, executors, administrators, or any person lawfully claiming under the vendee of a land contract or the vendee's heirs, executors, or administrators of a land contract may redeem the entire premises sold within 6 months from the date of the sale by paying to the purchaser or the purchaser's executors, administrators, or assigns, or to the register of deeds in whose office the deed of sale is deposited as provided in the court rules, for the benefit of the purchaser, the sum which was bid with interest from the date of the sale at the

interest rate provided for by the land contract. In case the sum is paid to the register of deeds, the sum of \$5.00 shall be paid to the register of deeds as a fee for the care and custody of the redemption money.

(3) Upon the payment of sums required under this section, the deed of sale is void. If a distinct lot or parcel separately sold is redeemed, leaving a portion of the premises unredeemed, then the deed of sale is void only as to the portion or portions of the premises which are redeemed. The register of deeds shall not determine the amount necessary for redemption. The purchaser shall attach an affidavit with the deed to be recorded that states the exact amount required to redeem the property, including any daily per diem amounts, and the date by which the property must be redeemed shall be stated in the certificate of sale. The purchaser may include in the affidavit the name of a designee responsible on behalf of the purchaser to assist the person redeeming the property in computing the exact amount required to redeem the property. The designee may charge a fee as stated in the affidavit and may be authorized by the purchaser to receive redemption funds. The purchaser shall accept the amount computed by the 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.

Sec. 49j. (1) If the mortgagor, the mortgagor's heirs, executors, administrators, or any person lawfully claiming under the mortgagor or the mortgagor's heirs, executors, or administrators, redeems the entire premises sold within the time prescribed in this section by paying to the purchaser or the purchaser's executors, administrators, or assigns, or to the register of deeds in whose office the deed is deposited for the benefit of the purchaser, the sum which was bid for the premises, with interest from the date of the sale at the interest rate provided for by the mortgage, and in case the payment is made to the register of deeds, the sum of \$5.00 as a fee for the care and custody of the redemption money, then the deed is void. If a distinct lot or parcel separately sold is redeemed, leaving a portion of the premises unredeemed, then the deed is void only as to the parcel or parcels redeemed. The register of deeds shall not determine the amount necessary for redemption. The purchaser shall attach an affidavit with the deed to be recorded that states the exact amount required to redeem the property, including any daily per diem amounts, and the date by which the property must be redeemed shall be stated in the certificate of sale. The purchaser may include in the affidavit the name of a designee responsible on behalf of the purchaser to assist the person redeeming the property in computing the exact amount required to redeem the property. The designee may charge a fee as stated in the affidavit and may be authorized by the purchaser to receive redemption funds. The purchaser shall accept the amount computed by the designee.

(2) If, following the sale, the purchaser pays any taxes assessed against the property or insurance premiums covering any buildings located on the property which under the terms of the mortgage were the duty of the mortgagor and are necessary to keep the policy in force until the expiration of the period of redemption, and the purchaser or a representative of the purchaser having knowledge of the facts may make an affidavit of the payment showing the amount and items paid, together with the receipt of payment of the taxes or insurance premiums, together with an affidavit of an insurance agent of the insurance company stating the making of the payment and also what portion of the policy covers the premium for the period before the expiration of the period of redemption, the affidavits and the receipt shall be filed with the register of deeds with whom the deed is deposited, who shall endorse on the deed the time the affidavits and receipt were received. The register of deeds shall record the affidavit of the purchaser only and file the recorded affidavit, together with the tax and insurance receipts and insurance agent's affidavit, until expiration of the period of redemption.

(3) After the purchaser's affidavit is recorded under this section, redemption shall only be made upon payment of the sum specified in subsections (1) and (2), with interest on the amount, from the date of the payment to the date of redemption, at the interest rate specified in the mortgage.

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

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

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

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

(8) If the property is abandoned as determined under section 49v, the redemption period is 30 days.

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

(10) If an automation fund is established under section 2568 of the revised judicature act of 1961, MCL 600.2568, any fees or charges collected by the register of deeds under this section or 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.

Carol Morey Viventi

Secretary of the Senate

Jay E. Randall

Clerk of the House of Representatives

Approved

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Governor