



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 749 (Substitute S-3 as reported by the Committee of the Whole) (as enacted)  
Sponsor: Senator Dennis Olshove  
Committee: Senior Citizens and Veterans Affairs

**CONTENT**

The bill would amend the Revised Judicature Act to do the following:

- Provide for a court to stay mortgage foreclosure proceedings for six months after the end of a defendant's military service, if the defendant were a service member and either had entered into the mortgage or land contract before becoming a service member or were deployed in overseas service.
- Invalidate a foreclosure by advertisement or the sale of mortgaged property under a power of sale during a period of military service or within six months after the end of military service, if the mortgagor were a service member described above, unless the foreclosure or sale were ordered by a court.
- Prohibit a person from selling or foreclosing real estate if the person knew that the foreclosure or sale was invalid under the bill, and prescribe a civil fine for a violation.
- Allow the Attorney General to file an action in circuit court to collect a civil fine under the bill, and require civil fine revenue to be deposited into the Military Family Relief Fund.

The bill would not apply to a mortgage or land contract entered into before the bill's effective date.

The bill would define "service member" as an individual who is in military service and is a member of the armed services or reserve forces of the United States or a member of the Michigan National Guard. The bill also would define "military service", "active duty", and "period of military service".

Proposed MCL 600.3185 & 600.3285

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

The bill would have no fiscal impact on the judiciary, as it would simply postpone foreclosure proceedings.

Any civil fines collected under the bill would be deposited into the Military Family Relief Fund created to provide grants to military families in need of financial assistance. The amount of revenue to the Fund would depend on the number of violations. Currently, the Military Family Relief Fund is funded primarily by donations via a check-off on the Michigan income tax return. Since its beginning in tax year 2004, the Fund has received donations totaling \$2,577,000.

Date Completed: 3-10-08

Fiscal Analyst: Stephanie Yu