



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 350 (Substitute S-3 as reported)
Sponsor: Senator Nancy Cassis
Committee: Banking and Financial Institutions

CONTENT

The bill would amend Chapter 32 (Foreclosure of Mortgages by Advertisement) of the Revised Judicature Act to require the county register of deeds in Oakland and Macomb Counties to determine the amount necessary to redeem property sold at a foreclosure sale, at the request of a person entitled to redeem the property.

Under Chapter 32, if property is sold at a foreclosure sale, the mortgagor may redeem the property by paying the redemption amount within a specified period. A register of deeds may not determine the amount necessary for redemption. The bill would make an exception to that, as described above.

Chapter 32 requires the purchaser of foreclosed property to attach with the deed an affidavit stating the exact amount required to redeem the property, including any per diem amounts. If, after the sale, the purchaser pays taxes assessed under the property, insurance premiums that the mortgagor would have been responsible for, or certain other amounts, the redemption must include those amounts with interest, if an affidavit showing the amount and items paid and other documents are filed with the register of deeds.

Under the bill, the register of deeds in Macomb or Oakland County could consider only those affidavits in determining the redemption amount.

A county, a register of deeds, or an employee of a county or register of deeds would not be liable for damages proximately caused by an incorrect determination of an amount necessary for redemption.

A register of deeds could charge up to \$50 for determining a redemption amount.

MCL 600.3240

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would increase both local unit revenue and local unit expenses by an unknown amount, depending on the number of foreclosures recorded within affected local units, the number of individuals attempting to redeem their foreclosed property, and how many individuals would elect to have the register of deeds compute the redemption amount.

Date Completed: 12-10-09

Fiscal Analyst: David Zin