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BILL ANALYSIS

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House Bill 5267 (as discharged)  
Sponsor: Representative Fred Miller  
House Committee: Intergovernmental and Regional Affairs  
Senate Committee: Banking and Financial Institutions

### **CONTENT**

The bill would amend Chapter 32 (Foreclosure of Mortgages by Advertisement) of the Revised Judicature Act to do the following:

- Allow the register of deeds in certain counties to determine the amount needed for the redemption of property sold at a foreclosure sale.
- Establish a time frame for required documents to be filed with a register of deeds in order for property to be redeemed.

Under Chapter 32, if property is sold at a foreclosure sale, the mortgagor or the mortgagor's heirs, executors, or administrators may redeem the property by paying the redemption amount within a specified time period (the redemption period). The redemption amount includes the amount bid at the foreclosure sale, interest, a sheriff's fee, and a \$5 fee if payment is made to the register of deeds. The register of deeds may not determine the amount required for redemption.

The bill would allow the register of deeds in a county with a population of more than 500,000 and less than 1.5 million to determine the redemption amount. The register of deeds could charge up to \$50 for determining the amount, and could choose to provide the amount calculated only to the person entitled to redeem the property. A county, register of deeds, or employee would not be liable for damage proximately caused by an incorrect determination of a redemption amount.

Chapter 32 allows property to be redeemed if certain documents are filed with the register of deeds. Under the bill, the redemption provisions would not apply unless those documents were filed at least 30 days before the last day of the applicable redemption period if the period were more than 30 days, or at least 10 days before the last day of the redemption period of the applicable redemption period if it were 30 days or less.

MCL 600.3240

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have an indeterminate impact on local government in certain parts of the State. The fiscal impact would depend on the actions of certain county registers of deeds who would be given the authority to redeem foreclosed properties.

Date Completed: 12-2-10

Fiscal Analyst: Eric Scorsone

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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