

SUBSTITUTE FOR  
HOUSE BILL NO. 4455

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
(MCL 600.101 to 600.9947) by adding sections 3205c, 3205d, and  
3205e; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 3205C. (1) IF A BORROWER HAS CONTACTED A HOUSING  
2        COUNSELOR UNDER SECTION 3205B BUT THE PROCESS HAS NOT RESULTED IN  
3        AN AGREEMENT TO MODIFY THE MORTGAGE LOAN, THE BORROWER, HOUSING  
4        COUNSELOR, OR THE PERSON DESIGNATED UNDER SECTION 3205A(1)(C) SHALL  
5        CALCULATE A MODIFIED PAYMENT AMOUNT UNDER THE FDIC WORKOUT PROGRAM.  
6        THE PERSON DESIGNATED UNDER SECTION 3205A(1)(C) SHALL PROVIDE THE  
7        BORROWER WITH A COPY OF ANY CALCULATION MADE BY THE PERSON UNDER

1 THIS SUBSECTION.

2 (2) IF THE RESULTS OF THE CALCULATION UNDER SUBSECTION (1) ARE  
3 THAT THE BORROWER IS ELIGIBLE FOR A MODIFICATION, THE MORTGAGE  
4 HOLDER OR MORTGAGE SERVICER SHALL NOT FORECLOSE THE MORTGAGE UNDER  
5 THIS CHAPTER BUT MAY PROCEED UNDER CHAPTER 31. IF THE RESULTS OF  
6 THE CALCULATION UNDER SUBSECTION (1) ARE THAT THE BORROWER IS NOT  
7 ELIGIBLE FOR A MODIFICATION WITHOUT AN EXCEPTION, THE MORTGAGE  
8 HOLDER OR MORTGAGE LENDER MAY FORECLOSE THE MORTGAGE UNDER THIS  
9 CHAPTER.

10 (3) IF A MORTGAGE HOLDER OR MORTGAGE SERVICER BEGINS  
11 FORECLOSURE PROCEEDINGS UNDER THIS CHAPTER IN VIOLATION OF THIS  
12 SECTION, THE BORROWER MAY FILE AN ACTION IN THE CIRCUIT COURT FOR  
13 THE COUNTY WHERE THE MORTGAGED PROPERTY IS SITUATED TO CONVERT THE  
14 FORECLOSURE PROCEEDING TO A JUDICIAL FORECLOSURE. IF A BORROWER  
15 FILES AN ACTION UNDER THIS SECTION AND THE COURT DETERMINES THAT  
16 THE BORROWER PARTICIPATED IN THE PROCESS UNDER SECTION 3205B, A  
17 MODIFICATION AGREEMENT WAS NOT REACHED, AND THE BORROWER IS  
18 ELIGIBLE FOR MODIFICATION UNDER THE FDIC WORKOUT PROGRAM, THE COURT  
19 SHALL ENJOIN FORECLOSURE OF THE MORTGAGE BY ADVERTISEMENT AND ORDER  
20 THAT THE FORECLOSURE PROCEED UNDER CHAPTER 31.

21 SEC. 3205D. THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
22 SHALL DEVELOP THE LIST OF HOUSING COUNSELORS APPROVED BY THE UNITED  
23 STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR BY THE  
24 MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY WHO MAY PERFORM THE  
25 DUTIES OF HOUSING COUNSELOR UNDER SECTIONS 3205A TO 3205C.

26 SEC. 3205E. SECTIONS 3205A TO 3205D ARE REPEALED EFFECTIVE 2  
27 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED

1   **THIS SECTION.**

2           Enacting section 1. This amendatory act does not take effect  
3 unless all of the following bills of the 95th Legislature are  
4 enacted into law:

5           (a) House Bill No. 4453.

6           (b) House Bill No. 4454.