

# SENATE BILL No. 350

March 10, 2009, Introduced by Senators CASSIS, SWITALSKI, JANSEN, HARDIMAN and PAPPAGEORGE and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
by amending section 3240 (MCL 600.3240), as amended by 2006 PA 579.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3240. (1) A purchaser's deed is void if the mortgagor,  
2       the mortgagor's heirs ~~, executors, or administrators~~ **PERSONAL**  
3       **REPRESENTATIVE**, or any person lawfully claiming under the mortgagor  
4       or the mortgagor's heirs ~~, executors, or administrators~~ **PERSONAL**  
5       **REPRESENTATIVE** redeems the entire premises sold by paying the  
6       amount required under subsection (2) **AND ANY AMOUNT REQUIRED UNDER**  
7       **SUBSECTION (4)**, within the applicable time limit prescribed in  
8       subsections (7) to (12), to the purchaser or the purchaser's  
9       ~~executors, administrators,~~ **PERSONAL REPRESENTATIVE** or assigns, or  
10      to the register of deeds in whose office the deed is deposited for  
11      the benefit of the purchaser.

(2) The amount required to be paid under subsection (1) is the sum that was bid for the entire premises sold, with interest from the date of the sale at the interest rate provided for by the mortgage, together with the amount of the sheriff's fee paid by the purchaser under section 2558(2)(q), and an additional \$5.00 as a fee for the care and custody of the redemption money if the payment is made to the register of deeds. ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (14), THE** register of deeds shall not determine the amount necessary for redemption. The purchaser shall attach an affidavit with the deed to be recorded under this section that states the exact amount required to redeem the property under this subsection, including any daily per diem amounts, and the date by which the property must be redeemed shall be stated on 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.

(3) If a distinct lot or parcel separately sold is redeemed, leaving a portion of the premises unredeemed, the deed shall be void only to the redeemed parcel or parcels.

(4) If, after the sale, the purchaser, the purchaser's heirs ~~executors, or administrators~~ **PERSONAL REPRESENTATIVE**, or any person lawfully claiming under the purchaser or the purchaser's heirs ~~executors, or administrators~~ **PERSONAL REPRESENTATIVE** pays taxes

1 assessed against the property, amounts necessary to redeem senior  
2 liens from foreclosure, condominium assessments, homeowner  
3 association assessments, community association assessments, or  
4 premiums on an insurance policy covering any buildings located on  
5 the property that under the terms of the mortgage it would have  
6 been the duty of the mortgagor to pay if the mortgage had not been  
7 foreclosed and that are necessary to keep the policy in force until  
8 the expiration of the period of redemption, redemption shall be  
9 made only upon payment of the sum specified in subsection (2) plus  
10 the amounts specified in this subsection with interest on the  
11 amounts specified in this subsection from the date of the payment  
12 to the date of redemption at the interest rate specified in the  
13 mortgage. ~~7-if-THIS SUBSECTION DOES NOT APPLY UNLESS, 30 DAYS OR~~  
14 **MORE BEFORE THE LAST DAY OF THE APPLICABLE REDEMPTION PERIOD IF THE**  
15 **REDEMPTION PERIOD IS MORE THAN 30 DAYS OR 10 DAYS OR MORE BEFORE**  
16 **THE LAST DAY OF THE APPLICABLE REDEMPTION PERIOD IF THE REDEMPTION**  
17 **PERIOD IS 30 DAYS OR LESS,** all of the following are filed with the  
18 register of deeds with whom the deed is deposited:

19 (a) An affidavit by the purchaser or someone in his or her  
20 behalf who has knowledge of the facts of the payment showing the  
21 amount and items paid.

22 (b) The receipt or copy of the canceled check evidencing the  
23 payment of the taxes, amounts necessary to redeem senior liens from  
24 foreclosure, condominium assessments, homeowner association  
25 assessments, community association assessments, or insurance  
26 premiums.

27 (c) An affidavit of an insurance agent of the insurance

1 company stating that the payment was made and what portion of the  
2 payment covers the premium for the period before the expiration of  
3 the period of redemption.

4 (5) If the redemption payment in subsection (4) includes an  
5 amount used to redeem a senior lien from a nonjudicial foreclosure,  
6 the mortgagor shall have the same defenses against the purchaser  
7 with respect to the amount used to redeem the senior lien as the  
8 mortgagor would have had against the senior lien.

9 (6) The register of deeds shall indorse on the documents filed  
10 under subsection (4) the time they are received. The register of  
11 deeds shall record the affidavit of the purchaser only and shall  
12 preserve in his or her files the recorded affidavit, receipts,  
13 insurance receipts, and insurance agent's affidavit until  
14 expiration of the period of redemption.

15 (7) ~~Subject to subsections (9) to (11), for~~ **FOR** a mortgage  
16 executed on or after January 1, 1965, on commercial or industrial  
17 property, or multifamily residential property in excess of 4 units,  
18 the redemption period is 6 months from the date of the sale.

19 (8) Subject to subsections (9) to (11), for a mortgage  
20 executed on or after January 1, 1965, on residential property not  
21 exceeding 4 units and not more than 3 acres in size, if the amount  
22 claimed to be due on the mortgage at the date of the notice of  
23 foreclosure is more than 66-2/3% of the original indebtedness  
24 secured by the mortgage, the redemption period is 6 months.

25 (9) Subject to subsection (10), for a mortgage on residential  
26 property not exceeding 4 units, if the property is abandoned as  
27 determined under section 3241, the redemption period is 3 months.

1           (10) For a mortgage on residential property not exceeding 4  
2 units, if the amount claimed to be due on the mortgage at the date  
3 of the notice of foreclosure is more than 66-2/3% of the original  
4 indebtedness secured by the mortgage and the property is abandoned  
5 as determined under section 3241, the redemption period is 1 month.

6           (11) If the property is abandoned as determined under section  
7 3241a, the redemption period is 30 days or until the time to  
8 provide the notice required by section 3241a(c) expires, whichever  
9 is later.

10          (12) If subsections (7) to (11) do not apply, the redemption  
11 period is 1 year from the date of the sale.

12          (13) The amount stated in any affidavits recorded under this  
13 section shall be the amount necessary to satisfy the requirements  
14 for redemption under this section.

15          (14) **THE REGISTER OF DEEDS OF A COUNTY HAVING A POPULATION OF**  
16 **MORE THAN 500,000 AND LESS THAN 1,500,000 MAY DETERMINE THE AMOUNT**  
17 **NECESSARY FOR REDEMPTION UNDER SUBSECTION (2). A COUNTY, REGISTER**  
18 **OF DEEDS, OR EMPLOYEE OF A COUNTY OR REGISTER OF DEEDS IS NOT**  
19 **LIABLE FOR DAMAGES PROXIMATELY CAUSED BY AN INCORRECT DETERMINATION**  
20 **OF AN AMOUNT NECESSARY FOR REDEMPTION UNDER SUBSECTION (2).**

21          (15) **A REGISTER OF DEEDS MAY CHARGE NOT MORE THAN \$50.00 FOR**  
22 **DETERMINING THE AMOUNT NECESSARY FOR REDEMPTION UNDER SUBSECTION**  
23 **(2).**