

Legislative Analysis



MORTGAGE MODIFICATION PROGRAM

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4543 (Substitute H-4)

Sponsor: Rep. Peter Pettalia

Committee: Banking and Financial Services

Complete to 6-20-11

A REVISED SUMMARY OF HOUSE BILL 4543 AS REPORTED FROM COMMITTEE

The bill would amend Chapter 32 of the Revised Judicature Act to delay for six months, the sunset on sections that provide for the modification of residential mortgage loans.

Under Chapter 32, a mortgage or real property may be foreclosed by advertisement (rather than judicial process) if the mortgage document contains a "power of sale" and notice is posted and published as required. Public Act 29-31 of 2009 amended Chapter 32 to establish procedures that provide borrowers with an opportunity to meet with the lender regarding modification of a mortgage loan on a principal residence before the mortgage is foreclosed.

Sections 3205a to 3205d of the act are currently scheduled to be repealed on July 5, 2011. House Bill 4543 would delay the sunset until January 5, 2012.

The bill would not take effect unless Senate Bill 398 is also enacted. That bill, as passed by the Senate contains a similar sunset extension for loan modification provisions.

FISCAL IMPACT:

The bill would have no fiscal impact on state or local government.

POSITIONS:

Michigan Advocacy Project supports the bill. (6-15-11)

Michigan Association of Realtors supports the bill. (6-15-11)

Michigan Credit Union League supports the bill. (6-15-11)

Michigan Mortgage Lenders Association supports the bill. (6-15-11)

Legislative Analyst: E. Best
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.