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BILL



ANALYSIS

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Senate Bill 635 (as introduced 10-18-17)  
Sponsor: Senator Vincent Gregory  
Committee: Banking and Financial Institutions

Date Completed: 11-27-17

### **CONTENT**

**The bill would amend Chapter 32 (Foreclosure of Mortgages by Advertisement) of the Revised Judicature Act to set a \$100 limit on the fee charged by a designee of a purchaser of foreclosed property for assisting in computing the amount required to redeem the property.**

If property is sold at a foreclosure sale under Chapter 32, there is a redemption period during which the mortgagor may recover, or "redeem", the property by paying the redemption amount and required fees.

The purchaser of the property must provide an affidavit with the deed to be recorded that states the exact amount required to redeem the property. 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 purchaser must accept the amount computed by the designee.

The designee may charge a fee as stated in the affidavit and may be authorized by the purchaser to receive redemption money. Under the bill, the designee could charge a fee of not more than \$100.

MCL 600.3240

Legislative Analyst: Stephen Jackson

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government. During the redemption period for foreclosed property, the former owner may regain ownership of the property by paying the redemption amount as defined by statute to the person who purchased the property from foreclosure. The redemption amount may be calculated by someone designated by the person who purchased the foreclosed property. Currently, the amount of the fee charged by the designee who computes the redemption amount is not limited by statute and increases the redemption amount. The bill would limit the fee charged by a designee who computes the redemption amount to \$100.

Fiscal Analyst: Elizabeth Pratt

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