

Legislative Analysis



PROPERTY REDEMPTION FEE CAP

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

House Bill 4226 as introduced
Sponsor: Rep. Ryan Berman
Committee: Financial Services
Complete to 3-6-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4226 would amend section 3240 of the Revised Judicature Act to set a limit of \$200 for the fee charged by a designee of a purchaser of foreclosed property for assisting in computing the amount required to redeem the property.

Under the Act, there is a redemption period for property sold at foreclosure during which the former owner may regain ownership of the property by paying to the person who bought it at foreclosure a redemption amount determined under the Act. The purchaser redeeming the property must provide to the register of deeds an affidavit that states the exact amount required to redeem the property.

The purchaser may also include in the affidavit the name and address of a designee responsible on behalf of the purchaser for assisting in computing that amount. 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, a designee could not charge a fee of more than \$200.

MCL 600.3240

FISCAL IMPACT:

As written, the bill would have no revenue or expenditure impact on the state or local governments.

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