

RECEIVERSHIP ACT (EXCERPT)
Act 16 of 2018

554.1030 Notice of order governing appointment; notice to all creditors; claim; distribution of receivership property.

Sec. 20. (1) Within 7 days after the receipt by the receiver of the list required under section 13(1)(d), the receiver shall provide all creditors and any other known interested parties with notice and a copy of any order governing its appointment. Notwithstanding the foregoing, the court may delay, limit, or eliminate the notice required by this subsection on finding that cause exists for doing so.

(2) If the receiver concludes that receivership property is likely to be sufficient to provide a distribution to creditors other than those holding a perfected lien on the property, the court shall order that the receiver give notice to all creditors and any other known interested parties that they need to submit claims under this section.

(3) When notice is given under subsection (1) or (2), it must be given by both of the following:

(a) Deposit for delivery through first-class mail or other commercially reasonable delivery method to the last known address of each creditor.

(b) Publication as directed by the court.

(4) Except as otherwise directed by the court, the notice required by subsection (1) must specify the date by which each creditor holding a claim against the owner that arose before appointment of the receiver must submit the claim to the receiver. The date specified must be at least 90 days after the later of notice under subsection (3)(a) or last publication under subsection (3)(b). The court may extend the period for submitting the claim. Unless the court orders otherwise, a claim that is not submitted timely is not entitled to a distribution from the receivership.

(5) A claim submitted by a creditor under this section must satisfy all of the following requirements:

(a) The claim must state the name and address of the creditor.

(b) The claim must state the amount and basis of the claim.

(c) The claim must identify any property securing the claim.

(d) The claim must be signed by the creditor under penalty of perjury.

(e) The claim must include a copy of any record on which the claim is based.

(6) An assignment by a creditor of a claim against the owner is effective against the receiver only if the assignee gives timely notice of the assignment to the receiver in a signed record.

(7) At any time before entry of an order approving a receiver's final report, the receiver may file with the court an objection to a claim of a creditor, stating the basis for the objection. The court shall allow or disallow the claim according to law of this state other than this act.

(8) Subject to section 21, both of the following apply to a distribution of receivership property:

(a) If the distribution is to a creditor holding a perfected lien on the property, the distribution must be made in accordance with the creditor's priority under law of this state other than this act.

(b) If the distribution is to a creditor with an allowed unsecured claim, the distribution must be made as the court directs according to law of this state other than this act.

History: 2018, Act 16, Eff. May 7, 2018;—Am. 2020, Act 210, Imd. Eff. Oct. 15, 2020.