

LAND CONTRACTS (EXCERPT)
Act 237 of 1879

565.357 Land contract mortgage as security to debt or obligation; rights and interests of vendor or vendee; encumbrance; applicability of act to real estate mortgage; act additional to existing rights and remedies.

Sec. 7. (1) A vendor or a vendee under a land contract may grant a land contract mortgage to secure any debt or obligation that may be secured by a real estate mortgage. This subsection does not alter the effect of any contractual provisions which prohibit or result in a default upon the mortgage, sale, assignment, or further encumbrance of a vendor's or vendee's interest in a land contract which would otherwise be enforceable.

(2) For the purposes of sections 6 to 11, the respective interests of a vendor or a vendee subject to a land contract mortgage includes all of the respective rights of a vendor or vendee including, without limitation, the vendor's rights to payments and the vendee's rights to conveyance. For the purposes of sections 6 to 11, the interests of vendors and vendees subject to a land contract mortgage are real property interests.

(3) Unless otherwise provided by the parties, a land contract mortgage encumbers all of the vendor's or vendee's interests that are mortgaged, whether real, personal, or mixed, in the same manner and to the same extent as a real estate mortgage.

(4) This act does not apply to real estate mortgages unless the parties otherwise agree.

(5) This act is in addition to existing rights and remedies at law with respect to the financing and encumbering of the vendor's and vendee's interests in land contracts.

History: Add. 1998, Act 106, Imd. Eff. June 3, 1998.