

CONSTRUCTION LIEN ACT (EXCERPT)
Act 497 of 1980

570.1123 Petition by receiver for authority to complete construction of improvements, borrow money, grant security, or sell real property under foreclosure; sale; redemption period; purchase of real property by lien claimant or mortgagee; right, title, and interest vested in grantee.

Sec. 123. (1) The receiver may petition the court for authority to complete construction of improvements to the real property in full or in part, to borrow money to complete the construction, and to grant security, by way of mortgage or otherwise, for the borrowings. The priority of the security shall be determined by the court. A petition for authority to complete construction of improvements shall not be granted unless the court finds that the value added to the real property which will result from the construction is likely to exceed the cost of the additional construction, including all estimated overhead and administrative costs, together with interest on any funds that are to be borrowed for the construction. The receiver also may be authorized by the court to borrow funds for other purposes, including such purposes as preserving and operating the real property.

(2) The receiver may petition the court for authority to sell the real property interest under foreclosure for cash or on other terms as may be ordered by the court. The sale may be by private or public sale and shall be held in the manner directed by the court. A sale under this subsection shall become final upon the entry of an order of confirmation by the court, unless the court allows a period for redemption. The redemption period, if allowed, shall not exceed 4 months.

(3) Any lien claimant or mortgagee may purchase the real property at a sale on foreclosure or a sale by the receiver, and may apply on the purchase price any sums which would be payable to him or her from the proceeds of the sale.

(4) Pursuant to section 119(3) and subject to section 121(1), a sale by the receiver, upon becoming final, shall vest in the grantee named in the deed all the right, title, and interest in the real property which the owner, co-owner, lessee, or co-lessee whose interest is being foreclosed had at the date of the execution of the contract for the improvement or at any time thereafter.

History: 1980, Act 497, Eff. Jan. 1, 1982;—Am. 1981, Act 191, Eff. Jan. 1, 1982.