HOUSE BILL No. 5021


A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending section 3240 (MCL 600.3240), as amended by 2010 PA 303.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3240. (1) A purchaser's deed is void if the mortgagor,
the mortgagor's heirs or personal representative, or any person
lawfully claiming under the mortgagor or the mortgagor's heirs or
personal representative redeems the entire premises sold by paying
the amount required under subsection (2) and any amount required
under subsection (4), within the applicable time limit prescribed
in subsections (7) to (12), to the purchaser or the purchaser's
personal representative or assigns, or to the register of deeds in
whose office the deed is deposited for the benefit of the
purchaser.

(2) The amount required to be paid under subsection (1) is the sum that was bid for the entire premises sold, with interest from the date of the sale at the interest rate provided for by the mortgage, together with the amount of the sheriff's fee paid by the purchaser under section 2558(2)(q), and an additional $5.00 as a fee for the care and custody of the redemption money if the payment is made to the register of deeds. Except as provided in subsection (14), the register of deeds shall not determine the amount necessary for redemption. The purchaser shall attach an affidavit with the deed to be recorded under this section that states the exact amount required to redeem the property under this subsection, including any daily per diem amounts, and the date by which the property must be redeemed shall be stated on the certificate of sale. 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 designee may charge a fee as stated in the affidavit and may be authorized by the purchaser to receive redemption funds. The purchaser shall accept the amount computed by the designee. AN AFFIDAVIT UNDER THIS SECTION SHALL BE DELIVERED TO THE REGISTER OF DEEDS NOT LATER THAN 15 DAYS BEFORE THE EXPIRATION OF THE APPLICABLE REDEMPTION PERIOD.

(3) If a distinct lot or parcel separately sold is redeemed, leaving a portion of the premises unredeemed, the deed shall be void only to the redeemed parcel or parcels.

(4) If, after the sale, the purchaser, the purchaser's heirs
or personal representative, or any person lawfully claiming under
the purchaser or the purchaser's heirs or personal representative
pays taxes assessed against the property, amounts necessary to
re redeem senior liens from foreclosure, condominium assessments,
home owner association assessments, community association
assessments, or premiums on an insurance policy covering any
buildings located on the property that under the terms of the
mortgage it would have been the duty of the mortgagor to pay if the
mortgage had not been foreclosed and that are necessary to keep the
policy in force until the expiration of the period of redemption,
redemption shall be made only upon payment of the sum specified in
subsection (2) plus the amounts specified in this subsection with
interest on the amounts specified in this subsection from the date
of the payment to the date of redemption at the interest rate
specified in the mortgage. This subsection does not apply unless
all of the following are filed with the register of deeds with whom
the deed is deposited NOT LATER THAN 15 DAYS BEFORE THE EXPIRATION
OF THE APPLICABLE REDEMPTION PERIOD:

(a) An affidavit by the purchaser or someone in his or her
behalf who has knowledge of the facts of the payment showing the
amount and items paid.

(b) The receipt or copy of the canceled check evidencing the
payment of the taxes, amounts necessary to redeem senior liens from
foreclosure, condominium assessments, homeowner association
assessments, community association assessments, or insurance
premiums.

(c) An affidavit of an insurance agent of the insurance
company stating that the payment was made and what portion of the
payment covers the premium for the period before the expiration of
the period of redemption.

(5) If the redemption payment in subsection (4) includes an
amount used to redeem a senior lien from a nonjudicial foreclosure,
the mortgagor shall have the same defenses against the purchaser
with respect to the amount used to redeem the senior lien as the
mortgagor would have had against the senior lien.

(6) The register of deeds shall indorse on the documents filed
under subsection (4) the time they are received. The register of
deeds shall record the affidavit of the purchaser only and shall
preserve in his or her files the recorded affidavit, receipts,
insurance receipts, and insurance agent's affidavit until
expiration of the period of redemption.

(7) For a mortgage executed on or after January 1, 1965, on
commercial or industrial property, or multifamily residential
property in excess of 4 units, the redemption period is 6 months
from the date of the sale.

(8) Subject to subsections (9) to (11), for a mortgage
executed on or after January 1, 1965, on residential property not
exceeding 4 units and not more than 3 acres in size, if the amount
claimed to be due on the mortgage at the date of the notice of
foreclosure is more than 66-2/3% of the original indebtedness
secured by the mortgage, the redemption period is 6 months.

(9) Subject to subsection (10), for a mortgage on residential
property not exceeding 4 units, if the property is abandoned as
determined under section 3241, the redemption period is 3 months.
(10) For a mortgage on residential property not exceeding 4 units, if the amount claimed to be due on the mortgage at the date of the notice of foreclosure is more than 66-2/3% of the original indebtedness secured by the mortgage and the property is abandoned as determined under section 3241, the redemption period is 1 month.

(11) If the property is abandoned as determined under section 3241a, the redemption period is 30 days or until the time to provide the notice required by section 3241a(c) expires, whichever is later.

(12) If subsections (7) to (11) do not apply, the redemption period is 1 year from the date of the sale.

(13) The amount stated in any affidavits recorded under this section shall be the amount necessary to satisfy the requirements for redemption under this section.

(14) The register of deeds of a county having a population of more than 750,000 and less than 1,500,000, at the request of a person entitled to redeem the property under this section, shall determine the amount necessary for redemption. In determining the amount, the register of deeds shall consider only the affidavits recorded under subsections (2) and (4). A county, register of deeds, or employee of a county or register of deeds is not liable for damages proximately caused by an incorrect determination of an amount necessary for redemption under subsection (2).

(15) A register of deeds may charge not more than $50.00 for determining the amount necessary for redemption under this section.