
Senate Fiscal Agency
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SFA

BILL ANALYSIS

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House Bill 5328 (as reported without amendment)
Sponsor: Representative Michael Bishop
House Committee: Commerce
Senate Committee: Financial Services

CONTENT

The bill would amend Public Act 237 of 1879, which regulates the execution of land contracts, to rewrite the definition of "real estate mortgage".

Currently, the Act defines "real estate mortgage" as a mortgage granted upon an interest in real property, which is created when the vendor and the vendee join in or subject their respective interests to a single mortgage.

The bill would define "real estate mortgage" as a mortgage granted upon an interest in real property other than a mortgage upon a vendor's or vendee's interest in a land contract unless the vendor and the vendee joined in or subjected their respective interests to a single mortgage.

The bill would retain a current provision that a real estate mortgage is not a land contract mortgage. A "land contract mortgage" is a mortgage granted by a vendor or vendee.

The Act defines "vendor" as the vendor named in the land contract and the vendor's heirs, successors, or assigns. "Vendee" is defined as the vendee named in the land contract and the vendee's heirs, successors, or assigns.

MCL 565.356

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 3-14-02

Fiscal Analyst: David Zin