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Senate Bill 1390 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Nancy Cassis
Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Revised Judicature Act to allow a register of deeds to determine the amount necessary to redeem property sold at a foreclosure sale, if the county board of commissioners had given approval to do so.

Under the Act, if the property is sold at a foreclosure sale, the mortgagor (or the mortgagor's heirs, executors, or administrators, or a person lawfully claiming under one of them) may recover, or "redeem", the property by paying the redemption amount and required fees within a specified period. The Act prohibits the register of deeds from determining the amount necessary for redemption.

The bill would allow the register of deeds to make this determination if the county board of commissioners had given approval to the register of deeds to do so. The register of deeds could charge up to \$50 for determining the redemption amount. A county, a register of deeds, or an employee of a county or register of deeds would not be liable for damages proximately caused by an incorrect determination of the amount necessary for redemption.

Under the Act, if, after the sale, the purchaser, the purchaser's heirs, executors, or administrators, or anyone claiming lawfully under any of them, pays taxes assessed against the property, amounts necessary to redeem senior liens from foreclosure, various assessments, or insurance premiums that the mortgagor would have been responsible for paying if the mortgage had not been foreclosed, the property may be redeemed only upon the payment of the amount described above plus these amounts with interest, and various documents are filed with the register of deeds. Under the bill, the documents would have to be filed at least 30 days before the last day of the applicable redemption period if the period were more than 30 days, or at least 10 days before the last day of the applicable period if it were 30 days or less. The bill also would replace references to "executors" and "administrators" with the term "personal representative".

MCL 600.3240

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would increase both local unit revenue and local unit expenses by an unknown amount, depending on the number of foreclosures recorded within a local unit, the number of individuals attempting to redeem their foreclosed property, and how many individuals would elect to have the register of deeds compute the redemption amount.

Date Completed: 12-4-08

Fiscal Analyst: David Zin

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Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.