

SUBSTITUTE FOR
SENATE BILL NO. 1390

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending section 3240 (MCL 600.3240), as amended by 2006 PA 579.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3240. (1) A purchaser's deed is void if the mortgagor,
2 the mortgagor's heirs ~~, executors, or administrators~~ **PERSONAL**
3 **REPRESENTATIVE**, or any person lawfully claiming under the mortgagor
4 or the mortgagor's heirs ~~, executors, or administrators~~ **PERSONAL**
5 **REPRESENTATIVE** redeems the entire premises sold by paying the
6 amount required under subsection (2) **AND ANY AMOUNT REQUIRED UNDER**
7 **SUBSECTION (4)**, within the applicable time limit prescribed in
8 subsections (7) to (12), to the purchaser or the purchaser's
9 ~~executors, administrators,~~ **PERSONAL REPRESENTATIVE** or assigns, or
10 to the register of deeds in whose office the deed is deposited for

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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. ~~The~~ **<<EXCEPT AS PROVIDED IN SUBSECTION (14),**

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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.

(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 ~~7~~ ~~executors, or administrators~~ **PERSONAL REPRESENTATIVE**, or any person

1 lawfully claiming under the purchaser or the purchaser's heirs ~~7~~
2 ~~executors, or administrators~~ **PERSONAL REPRESENTATIVE** pays taxes
3 assessed against the property, amounts necessary to redeem senior
4 liens from foreclosure, condominium assessments, homeowner
5 association assessments, community association assessments, or
6 premiums on an insurance policy covering any buildings located on
7 the property that under the terms of the mortgage it would have
8 been the duty of the mortgagor to pay if the mortgage had not been
9 foreclosed and that are necessary to keep the policy in force until
10 the expiration of the period of redemption, redemption shall be
11 made only upon payment of the sum specified in subsection (2) plus
12 the amounts specified in this subsection with interest on the
13 amounts specified in this subsection from the date of the payment
14 to the date of redemption at the interest rate specified in the
15 mortgage. ~~7, if~~ **THIS SUBSECTION DOES NOT APPLY UNLESS, 30 DAYS OR**
16 **MORE BEFORE THE LAST DAY OF THE APPLICABLE REDEMPTION PERIOD IF THE**
17 **REDEMPTION PERIOD IS MORE THAN 30 DAYS OR 10 DAYS OR MORE BEFORE**
18 **THE LAST DAY OF THE APPLICABLE REDEMPTION PERIOD IF THE REDEMPTION**
19 **PERIOD IS 30 DAYS OR LESS,** all of the following are filed with the
20 register of deeds with whom the deed is deposited:

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

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

1 premiums.

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

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

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

17 (7) Subject to subsections (9) to (11), for a mortgage
18 executed on or after January 1, 1965, on commercial or industrial
19 property, or multifamily residential property in excess of 4 units,
20 the redemption period is 6 months from the date of the sale.

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

27 (9) Subject to subsection (10), for a mortgage on residential

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1 property not exceeding 4 units, if the property is abandoned as
2 determined under section 3241, the redemption period is 3 months.

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

8 (11) If the property is abandoned as determined under section
9 3241a, the redemption period is 30 days or until the time to
10 provide the notice required by section 3241a(c) expires, whichever
11 is later.

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

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

17 (14) <<THE REGISTER OF DEEDS OF A COUNTY HAVING A POPULATION OF
MORE THAN 500,000 AND LESS THAN 1,500,000 MAY DETERMINE THE AMOUNT
NECESSARY FOR REDEMPTION UNDER SUBSECTION (2).>> A COUNTY, REGISTER OF
DEEDS, OR EMPLOYEE OF A COUNTY OR

18 REGISTER OF DEEDS IS NOT LIABLE FOR DAMAGES PROXIMATELY CAUSED BY
19 AN INCORRECT DETERMINATION OF AN AMOUNT NECESSARY FOR REDEMPTION
20 UNDER SUBSECTION (2).

21 (15) A REGISTER OF DEEDS MAY CHARGE NOT MORE THAN \$50.00 FOR
22 DETERMINING THE AMOUNT NECESSARY FOR REDEMPTION UNDER SUBSECTION
23 (2).