HOUSE BILL No. 5298

October 11, 2007, Introduced by Reps. Johnson, Angerer, Tobocman, Sak, Clack, Simpson, Byrnes, Accavitti, Miller, Melton, Kathleen Law, Hopgood, Constan, Brown, Hammel, Robert Jones, Vagnozzi, Mayes, Clemente, Gonzales, Virgil Smith and Dean and referred to the Committee on Banking and Financial Services.

A bill to amend 2002 PA 660, entitled

"Consumer mortgage protection act,"

(MCL 445.1631 to 445.1645) by adding sections 7a and 7b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7A. (1) IF THE DEFAULT OF A HOME LOAN IS CURED AFTER THE

2 INITIATION OF AN ACTION TO FORECLOSE THE LOAN AND BEFORE THE COURT

3 ISSUES A FINAL ORDER OF FORECLOSURE, THE CREDITOR SHALL TAKE ANY

4 STEPS NECESSARY TO TERMINATE THE FORECLOSURE PROCEEDING OR OTHER

5 ACTION.

6 (2) THE CURE OF A DEFAULT OF A HOME LOAN REINSTATES THE

7 BORROWER TO THE SAME POSITION AS IF THE DEFAULT HAD NOT OCCURRED

8 AND NULLIFIES ANY ACCELERATION OF ANY OBLIGATION UNDER THE SECURITY

9 INSTRUMENT OR NOTE ARISING FROM THE DEFAULT AS OF THE DATE OF THE

1 **CURE.**

2   **SEC. 7B. LIMITED TO AMOUNTS REQUIRED TO REDUCE OR EXTINGUISH**

3 **THE BORROWER'S LIABILITY UNDER THE HOME LOAN PLUS AMOUNTS REQUIRED**

4 **TO RECOVER COSTS AND REASONABLE ATTORNEY FEES, A BORROWER ACTING**

5 **ONLY IN AN INDIVIDUAL CAPACITY MAY ASSERT CLAIMS THAT THE BORROWER**

6 **COULD ASSERT AGAINST A CREDITOR OF THE HOME LOAN FOR VIOLATIONS OF**

7 **SECTION 4A AGAINST ANY SUBSEQUENT HOLDER OR ASSIGNEE OF THE HOME**

8 **LOAN.**

9   Enacting section 1. This amendatory act does not take effect

10 unless all of the following bills of the 94th Legislature are

11 enacted into law:

12   (a) Senate Bill No.____ or House Bill No. 5294(request no.

13 02456'07 *).

14   (b) Senate Bill No.____ or House Bill No. 5295(request no.

15 04909'07 *).

16   (c) Senate Bill No.____ or House Bill No. 5296(request no.

17 04910'07 *).

18   (d) Senate Bill No.____ or House Bill No. 5297(request no.

19 04911'07 *).

20   (e) Senate Bill No.____ or House Bill No. 5299(request no.

21 04913'07 *).

22   (f) Senate Bill No.____ or House Bill No. 5300(request no.

23 05435'07).

24   (g) Senate Bill No.____ or House Bill No. 5301(request no.

25 05436'07).

26   (h) Senate Bill No.____ or House Bill No. 5302(request no.

27 05437'07).

1   (i) Senate Bill No.____ or House Bill No. 5303(request no.

2   05438'07).