

# Legislative Analysis



## REQUIRE LANDLORDS TO NOTIFY TENANTS OF FORECLOSURE & MORTGAGE PROBLEMS

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**House Bill 4211 (Substitute H-2)**  
**Sponsor: Rep. Shanelle Jackson**  
**Committee: Urban Policy**

**Complete to 3-11-09**

### A SUMMARY OF HOUSE BILL 4211 AS REPORTED FROM COMMITTEE ON 3-11-09

The bill would amend the Truth in Renting Act to require a rental agreement to contain a provision that a landlord must notify a tenant of any foreclosure actions being taken against the property within 30 days after the period of redemption has begun and again at least 30 days before conclusion of redemption. The bill would not allow a tenant to withhold rent payments because of receipt of the required notice.

A landlord who leases property to a tenant during the redemption period would be required to give written notice to the tenant before entering into the lease agreement that the property has been foreclosed on. The written notice would notify the potential tenant of the number of days remaining redemption in the period. A landlord in violation of this section would be liable to the tenant for damages, and be responsible for a civil infraction and a fine up to \$500.

The section would only apply to rental agreements entered into on or after the effective date of the bill.

MCL 554.640a

### **FISCAL IMPACT:**

The bill would have no significant budgetary impact on the state or local units of government. The act provides that the Attorney General or any affected individual may bring an action to enforce the act in a court of competent jurisdiction in the county where the defendant resides or does business. Any costs related to enforcement of the act through the court system would not be significant. Any civil infraction fine revenue collected is dedicated to public libraries and county law libraries under Section 8379 of the Revised Judicature Act.

### ***POSITIONS:***

Michigan Bankers Association indicated support for the bill (3-3-09)

Michigan Municipal League is neutral on the bill. (3-3-09)

Michigan Association of Realtors testified in opposition to the bill. (3-10-09)

Property Managers Association of Michigan testified in opposition to the bill (3-10-09)

Rental Property Owners Association testified in opposition to the bill. (3-10-09)

Legislative Analyst: E. Best  
Fiscal Analyst: Mark Wolf

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.