

# HOUSE BILL No. 5366

December 13, 2017, Introduced by Rep. Schor and referred to the Committee on Financial Services.

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
by amending sections 3130 and 3236 (MCL 600.3130 and 600.3236).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3130. (1) The person making the sale **UNDER SECTION 3125**  
2 shall execute deeds specifying the names of the parties in the  
3 action, the date of the land contract or mortgage, when and where  
4 ~~it~~ **THE LAND CONTRACT OR MORTGAGE** was recorded, a description of the  
5 premises sold, and the amount for which each parcel of land  
6 described in the deed was sold. ~~;~~ ~~and he~~ **THE PERSON MAKING THE SALE**  
7 shall **ALSO** indorse ~~upon~~ **ON** each deed the time it becomes operative  
8 if the premises are not redeemed according to law. Unless the  
9 premises or any parcel of ~~them~~ **THE PREMISES** are redeemed within the  
10 time limited for redemption, **AND SUBJECT TO SUBSECTION (2)**, the  
11 deed ~~shall become~~ **BECOMES** operative as to all parcels not redeemed

~~and shall vest~~ **VESTS** in the grantee named in the deed, ~~his~~ **OR THE GRANTEE'S** heirs ~~or assigns,~~ all the right, title, and interest ~~which~~ **THAT** the mortgagor had at the time of the execution of the mortgage or at any time thereafter. **AFTER THE EXECUTION OF THE MORTGAGE.**

(2) IF THE SALE UNDER SECTION 3125 WAS ON FORECLOSURE OF A MORTGAGE AND IF AT THE TIME THE MORTGAGE WAS ENTERED INTO THE MORTGAGOR WAS THE VENDOR UNDER A CONTRACT FOR THE SALE OF THE LAND AND THE LAND CONSISTED OF 1 TO 4 RESIDENTIAL UNITS, AND IF THE LAND CONTRACT OR A CERTIFICATE OF RESIDENTIAL LAND CONTRACT EXECUTED UNDER SECTION 4 OF 1879 PA 237, MCL 565.354, CONCERNING THE LAND WAS RECORDED WITH THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHERE THE LAND IS LOCATED, THE SUCCESSFUL PURCHASER AT THE SALE UNDER SECTION 3125 TAKES TITLE SUBJECT TO THE TERMS AND CONDITIONS OF THE LAND CONTRACT AND BECOMES THE VENDOR UNDER THE LAND CONTRACT.

(3) ~~(2) The deed of sale as~~ **AS** soon as practicable and within 20 days after the sale, ~~shall~~ **THE DEED OF SALE EXECUTED UNDER THIS SECTION MUST** be deposited with the register of deeds of the county in which the land ~~therein~~ described **IN THE DEED** is situated, ~~and the~~ **LOCATED. THE** register shall indorse ~~upon~~ **ON** the deed the time it was received, ~~and shall~~ record the deed at length in a book to be provided in ~~his~~ **THE REGISTER'S** office for that purpose, and ~~shall~~ index the deed in the regular index of deeds. ~~and the~~ **THE** fee for recording the deed ~~shall~~ **MUST** be included among the other costs and expenses allowed by law. If the premises or any parcel of ~~them~~ **THE PREMISES** are redeemed, the register of deeds shall write

1 on the face of the record the ~~work~~ **WORD** "Redeemed", and he shall  
 2 write at ~~what~~ **THE** date the entry is made, and sign the entry with  
 3 his **OR HER** official signature.

4 Sec. 3236. **(1)** Unless the premises described in ~~such~~ **THE** deed  
 5 ~~shall be~~ **EXECUTED UNDER SECTION 3232 IS** redeemed within the time  
 6 limited for ~~such~~ redemption as hereinafter provided **IN SECTION**  
 7 **3240, such AND SUBJECT TO SUBSECTION (2), THE** deed shall thereupon  
 8 ~~become~~ **BECOMES** operative, ~~and shall vest~~ **VESTS** in the grantee  
 9 ~~therein named~~ **IN THE DEED, his OR THE GRANTEE'S** heirs or assigns,  
 10 all the right, title, and interest ~~which~~ **THAT** the mortgagor had at  
 11 the time of the execution of the mortgage, or at any time  
 12 ~~thereafter,~~ **AFTER THE EXECUTION OF THE MORTGAGE,** except as to any  
 13 parcel or parcels ~~which may~~ **THAT** have been redeemed and canceled,  
 14 as hereinafter provided, ~~and the~~ **IN THIS CHAPTER. AFTER THE DEED**  
 15 **IS RECORDED, THE** record thereof shall thereafter, **IS** for all  
 16 purposes ~~be~~ deemed a valid record of ~~said~~ **THE** deed without being  
 17 re-recorded. ~~but no~~ **HOWEVER, ANY** person having ~~any~~ **THAT HAS A**  
 18 valid subsisting lien ~~upon~~ **ON** the mortgaged premises, or any part  
 19 ~~thereof,~~ **OF THE MORTGAGED PREMISES, THAT WAS** created before the  
 20 lien of ~~such~~ **THE** mortgage took effect, ~~shall be~~ **IS NOT** prejudiced  
 21 by ~~any such~~ **THE** sale **UNDER SECTION 3216,** nor shall ~~his~~ **ARE THE**  
 22 **PERSON'S** rights or interests ~~be~~ in any way affected ~~thereby~~ **BY THE**  
 23 **SALE.**

24 **(2) IF AT THE TIME THE MORTGAGE WAS ENTERED INTO THE MORTGAGOR**  
 25 **WAS THE VENDOR UNDER A CONTRACT FOR THE SALE OF THE LAND AND THE**  
 26 **LAND CONSISTED OF 1 TO 4 RESIDENTIAL UNITS, AND IF THE LAND**  
 27 **CONTRACT OR A CERTIFICATE OF RESIDENTIAL LAND CONTRACT EXECUTED**

1 UNDER SECTION 4 OF 1879 PA 237, MCL 565.354, CONCERNING THE LAND  
2 WAS RECORDED WITH THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY  
3 WHERE THE LAND IS LOCATED, THE SUCCESSFUL PURCHASER AT THE SALE  
4 UNDER SECTION 3216 TAKES TITLE SUBJECT TO THE TERMS AND CONDITIONS  
5 OF THE LAND CONTRACT AND BECOMES THE VENDOR UNDER THE LAND  
6 CONTRACT.

7 Enacting section 1. Sections 3130 and 3236 of the revised  
8 judicature act of 1961, 1961 PA 236, MCL 600.3130 and 600.3236, as  
9 amended by this amendatory act, only apply to land contracts  
10 entered into on or after the effective date of this amendatory act.

11 Enacting section 2. This amendatory act does not take effect  
12 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 5365 (request no.  
13 01181'17 \*) of the 99th Legislature is enacted into law.