

HOUSE BILL No. 4165

February 14, 1989, Introduced by Rep. Niederstadt and referred to the Committee on Judiciary.

A bill to amend sections 3212 and 3240 of Act No. 236 of the Public Acts of 1961, entitled as amended "Revised judicature act of 1961," section 3240 as amended by Act No. 94 of the Public Acts of 1986, being sections 600.3212 and 600.3240 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 3212 and 3240 of Act No. 236 of the
2 Public Acts of 1961, section 3240 as amended by Act No. 94 of the
3 Public Acts of 1986, being sections 600.3212 and 600.3240 of the
4 Michigan Compiled Laws, are amended to read as follows:

5 Sec. 3212. Every ~~such~~ notice OF FORECLOSURE BY SALE shall
6 specify ALL OF THE FOLLOWING:

7 (A) ~~-(+)-~~ The names of the mortgagor and of the mortgagee,
8 and the assignee of the mortgage if any. ~~—~~

1 (B) ~~-(2)-~~ The date of the mortgage, and when recorded. ~~—~~

2 (C) ~~-(3)-~~ The amount claimed to be due ~~thereon~~ ON THE
3 MORTGAGE at the date of the notice. ~~—, and—~~

4 (D) ~~-(4)-~~ A description of the mortgaged premises, conform-
5 ing substantially with that contained in the mortgage. ~~—, and—~~

6 (E) ~~-(5)-~~ In the case of any mortgage executed on or after
7 January 1, 1965, the length of the redemption period as deter-
8 mined under section 3240.

9 (F) THE INTEREST RATE OF THE MORTGAGE TO BE CHARGED BEFORE
10 REDEMPTION, OR A FORMULA USED TO DETERMINE THAT INTEREST RATE.

11 Sec. 3240. (1) If the mortgagor, the mortgagor's heirs,
12 executors, or administrators, or any person lawfully claiming
13 from or under the mortgagor or them, within the applicable time
14 limit prescribed in this section, redeems the entire premises
15 sold by paying to the purchaser, the purchaser's executors,
16 administrators, or assigns, or to the register of deeds in whose
17 office the deed is deposited for the benefit of the purchaser,
18 the sum which was bid for the entire premises sold, with interest
19 from the time of the sale at the rate percent borne by the mort-
20 gage, and if the payment is made to the register of deeds, the
21 sum of ~~-\$3.00-~~ \$5.00 as a fee for the care and custody of the
22 redemption money, then the deed shall be void and of no effect.
23 If a distinct lot or parcel separately sold is redeemed, leaving
24 a portion of the premises unredeemed, then the deed shall be
25 inoperative merely to the parcel or parcels so redeemed, and to
26 those portions not so redeemed shall remain valid and of full
27 effect.

1 (2) If the purchaser, following the sale, pays any sum or
2 sums as taxes assessed against the property or premiums upon any
3 insurance policy covering any buildings located on the property
4 which under the terms of the mortgage it would have been the duty
5 of the mortgagor to have paid had the mortgage not been fore-
6 closed, and which premiums are necessary to keep the policy in
7 force until the expiration of the period of redemption, and the
8 purchaser, or someone in his or her behalf having knowledge of
9 the facts, makes an affidavit of the payment showing the amount
10 and items paid, together with the receipt evidencing the payment
11 of the taxes or insurance premiums, together with an affidavit of
12 an insurance agent of the insurance company stating the making of
13 the payment and also what portion of the payment covers the pre-
14 mium for the period prior to the expiration of the period of
15 redemption, all of which are filed with the register of deeds
16 with whom the deed is deposited, the register of deeds shall
17 indorse on the documents filed the time they are received. The
18 register of deeds shall record at length the affidavit of the
19 purchaser only and shall preserve in his or her files the
20 recorded affidavit, together with the tax and insurance receipts
21 and insurance agent's affidavit, until expiration of the period
22 of redemption. After a filing under this subsection, redemption
23 shall only be made upon payment of the sum above specified plus
24 the amount shown by the affidavits and receipts to have been so
25 paid, with interest on that amount, from the date of the payment
26 to the date of redemption, at the rate specified in the
27 mortgage.

1 (3) For a mortgage executed on or after January 1, 1965, on
2 commercial or industrial property, or multifamily residential
3 property in excess of 4 units, the redemption period shall be 6
4 months from the time of the sale.

5 (4) For a mortgage executed on or after January 1, 1965, on
6 residential property not exceeding 4 units and not more than 3
7 acres in size, if the amount claimed to be due on the mortgage at
8 the date of the notice of foreclosure is more than 66-2/3% of the
9 original indebtedness secured by the mortgage, the redemption
10 period shall be 6 months.

11 (5) For a mortgage on residential property not exceeding 4
12 units and not more than 3 acres in size, if the property is aban-
13 doned as determined pursuant to section 3241, the redemption
14 period shall be 3 months.

15 (6) For a mortgage on residential property not exceeding 4
16 units and not more than 3 acres in size, if the amount claimed to
17 be due on the mortgage at the date of the notice of foreclosure
18 is more than 66-2/3% of the original indebtedness secured by the
19 mortgage and the property is abandoned as determined pursuant to
20 section 3241, the redemption period shall be 1 month.

21 (7) If the property is abandoned as determined pursuant to
22 section 3241a, the redemption period shall be 30 days.

23 (8) In any other case, the redemption period shall be 1 year
24 from the date of the sale.

25 Section 2. This amendatory act shall take effect July 1,
26 1989.