

SUBSTITUTE FOR
SENATE BILL NO. 929

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending sections 3140, 3240, 6062, and 6066 (MCL 600.3140,
600.3240, 600.6062, and 600.6066), section 3240 as amended by
2000 PA 380; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3140. (1) The mortgagor, ~~his~~ **the mortgagor's** heirs,
2 executors, **or** administrators, or any person lawfully claiming
3 from or under ~~him or them~~ **the mortgagor or the mortgagor's**
4 **heirs, executors, or administrators** may redeem the entire
5 premises sold by paying, within 6 months from the time of the
6 sale, to the purchaser ~~, his~~ **or the purchaser's** executors,
7 administrators, or assigns, or to the register of deeds in whose
8 office the deed of sale is deposited as provided in the court
9 rules, for the benefit of the purchaser, the sum which was bid

1 with interest from the ~~time~~ **date** of the sale at the **interest**
 2 rate ~~percent borne~~ **provided for** by the mortgage.

3 (2) The vendee of a land contract, ~~his~~ **the vendee's** heirs,
 4 executors, **or** administrators, or any person lawfully claiming
 5 from or under ~~him or them~~ **the vendee or the vendee's heirs,**
 6 **executors, or administrators** may redeem the entire premises sold
 7 within 6 months from the time of the sale by paying to the
 8 purchaser ~~, his~~ **or the purchaser's** executors, administrators,
 9 or assigns, or to the register of deeds in whose office the deed
 10 of sale is deposited as provided in the court rules, for the
 11 benefit of the purchaser, the sum which was bid with interest
 12 from the ~~time~~ **date** of the sale at the **interest** rate ~~percent~~
 13 ~~borne~~ **provided for** by the land contract. ~~In case~~ **If** the sum
 14 is paid to the register of deeds, ~~the sum of \$5.00 shall be paid~~
 15 ~~to him as~~ a fee of **\$5.00 shall be paid** for the care and custody
 16 of the redemption money. ~~After these sums have been paid~~ **The**
 17 **register of deeds shall not determine the amount necessary for**
 18 **redemption. The purchaser shall include an affidavit with the**
 19 **recorded deed that states the exact amount required to redeem the**
 20 **property, including any daily per diem amounts, and the date by**
 21 **which the property must be redeemed shall be stated on the**
 22 **certificate of auctioneer.**

23 (3) **If payments are made as provided under this section, the**
 24 deed of sale is void. ~~and of no effect, but in case any~~ **If a**
 25 distinct lot or parcel separately sold is redeemed, leaving a
 26 portion of the premises unredeemed, then the deed of sale is
 27 ~~inoperative merely~~ **void only** as to the portion or portions of

1 the premises which are redeemed. ~~and to the portions not~~
2 ~~redeemed it remains valid and of full effect.~~

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

13 (2) The amount required to be paid under subsection (1) is
14 the sum that was bid for the entire premises sold, with interest
15 from the ~~time~~ **date** of the sale at the **interest** rate ~~percent~~
16 ~~borne~~ **provided for** by the mortgage, together with the amount of
17 the sheriff's fee paid by the purchaser under section 2558(2)(q),
18 and an additional \$3.00 as a fee for the care and custody of the
19 redemption money if the payment is made to the register of
20 deeds.

21 (3) If a distinct lot or parcel separately sold is redeemed,
22 leaving a portion of the premises unredeemed, the deed shall be
23 ~~inoperative~~ **void** only to the redeemed parcel or parcels. ~~—, and~~
24 ~~to those portions that have not been redeemed the deed shall~~
25 ~~remain valid.~~

26 (4) If after the sale the purchaser, the purchaser's heirs,
27 executors, or administrators, or any person lawfully claiming

1 under the purchaser ~~—~~ **or** the purchaser's heirs, executors, or
2 administrators pays taxes assessed against the property, amounts
3 necessary to redeem senior liens from foreclosure, condominium
4 assessments, homeowner association assessments, community
5 association assessments, or premiums on an insurance policy
6 covering any buildings located on the property that under the
7 terms of the mortgage it would have been the duty of the
8 mortgagor to pay if the mortgage had not been foreclosed and that
9 are necessary to keep the policy in force until the expiration of
10 the period of redemption, redemption shall be made only upon
11 payment of the sum specified in subsection (2) plus the amounts
12 specified in this subsection with interest on the amounts
13 specified in this subsection from the date of the payment to the
14 date of redemption at the **interest** rate specified in the
15 mortgage, if all of the following are filed with the register of
16 deeds with whom the deed is deposited:

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

20 (b) The receipt or copy of the canceled check evidencing the
21 payment of the taxes, amounts necessary to redeem senior liens
22 from foreclosure, condominium assessments, homeowner association
23 assessments, community association assessments, or insurance
24 premiums.

25 (c) An affidavit of an insurance agent of the insurance
26 company stating that the payment was made and what portion of the
27 payment covers the premium for the period ~~prior to~~ **before** the

1 expiration of the period of redemption.

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

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

14 (7) For a mortgage executed on or after January 1, 1965, on
15 commercial or industrial property, or multifamily residential
16 property in excess of 4 units, the redemption period is 6 months
17 from the ~~time~~ **date** of the sale.

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

24 (9) For a mortgage on residential property not exceeding 4
25 units and not more than 3 acres in size, if the property is
26 abandoned as determined ~~pursuant to~~ **under** section 3241, the
27 redemption period is 3 months.

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

7 (11) If the property is abandoned as determined ~~pursuant to~~
8 **under** section 3241a, the redemption period is 30 days.

9 (12) In any other case, the redemption period is 1 year from
10 the date of the sale.

11 Sec. 6062. (1) ~~Within~~ **Not later than** 1 year from the
12 ~~time~~ **date** when sale on execution is made, the real estate ~~so~~
13 sold or any distinct lot, tract, or portion that is separately
14 sold or the interest in real estate so sold ~~—~~ may be redeemed
15 by payment to the purchaser, ~~his~~ **to the purchaser's** personal
16 representatives or assigns, or to the officer who makes ~~such~~
17 **the** sale, or to the register of deeds in whose office such
18 certificate is recorded, for the use of ~~such~~ **the** purchaser, of
19 the sum of money bid on the sale of ~~such~~ **the** lot or tract,
20 together with the interest on that sum from the ~~time~~ **date** of
21 sale, computed at the **interest** rate ~~per cent per annum borne~~
22 **provided for** by the judgment under which ~~such~~ **the** sale was
23 made. **The redemption amount shall be determined by the redeeming**
24 **party without the assistance of the register of deeds. The**
25 **purchaser shall include an affidavit with the recorded deed that**
26 **states the exact amount required to redeem the property,**
27 **including any daily per diem amounts, and the date by which the**

1 **property must be redeemed shall be stated in the certificate of**
2 **sale.**

3 (2) Redemption may be made by **any of the following:**

4 (a) The person against whom the execution is issued ~~—~~ and
5 whose right and title are sold in pursuance ~~thereof, or~~ **of the**
6 **execution.**

7 (b) If ~~such~~ **the** person is dead, by his **or her** devisee of
8 the premises sold, ~~if the same have been devised, and if the~~
9 ~~same have not been devised~~ **and if there is no devisee**, by the
10 executor or administrator with the approval of the judge of
11 probate, ~~—~~ or by the **person's** heirs. ~~of such person, or~~

12 (c) By any grantee of ~~such~~ **the** person who acquires an
13 absolute title by deed, sale under mortgage, or under an
14 execution, or by any other means, to the premises sold ~~—~~ or to
15 any lot, tract, parcel, or portion which is separately sold. ~~—~~
16 ~~or~~

17 (d) The purchaser of the title and right of redemption of the
18 person against whom the execution issues. ~~—, or~~

19 (e) Any heir or devisee of ~~such~~ **the** person, or any grantee
20 of ~~such~~ **the** heir or devisee, who acquires an absolute title to
21 a portion of the estate sold, or to a portion of any lot, tract,
22 or parcel that is separately sold, or the executor or
23 administrator of ~~such~~ **the** person, with the approval of the
24 judge of probate. ~~—, and such~~ **The** person has the same remedy to
25 enforce contribution from those who own the residue of the lot,
26 tract, or parcel ~~—~~ as if the sum required to be paid by him **or**
27 **her** to effect redemption was collected by a sale of the portion

1 belonging to ~~such~~ **the** grantee. ~~or~~

2 (f) Each of several persons having undivided shares, as joint
3 tenants or tenants in common, in the premises sold, or in any
4 particular lot or tract sold, by paying to the purchaser or
5 officer a sum that bears the same proportion to the whole sum bid
6 for the premises or for the particular lot or tract as the share
7 proposed to be redeemed bears to the whole number of shares of
8 the premises, lot, or tract, together with the interest on ~~such~~
9 **the** sum. ~~or~~

10 (g) A defendant lessee where the unexpired term of the lease
11 exceeds 3 years at the date of sale on execution. ~~and on such~~
12 **On the** redemption, the defendant is entitled to repossess,
13 recover, and enjoy the premises from the execution purchaser or
14 ~~his~~ **the purchaser's** assigns.

15 (3) Upon payment being made by any person so entitled to
16 redeem any real estate so sold, the sale of the premises so
17 redeemed and the certificate of ~~such~~ **the** sale and deed to the
18 extent of the premises or shares so redeemed ~~, shall be null~~
19 ~~and~~ **are** void.

20 Sec. 6066. (1) The sums required to be paid ~~by the~~
21 ~~foregoing provisions~~ **under this act**, to acquire the title of the
22 original purchaser ~~or~~ or to become a purchaser from any
23 creditor, may be paid to ~~such~~ **the** purchaser or creditor, **to** his
24 **or her** representatives or assigns, or to the officer who made the
25 sale ~~, or to the register of deeds in whose office the~~
26 ~~certificate of sale is recorded,~~ for the use of the purchaser or
27 creditor entitled to the ~~same~~ **sums paid**.

1 (2) If the purchaser of any equity of redemption, or any
2 creditor having acquired the rights of ~~such~~ **the** purchaser,
3 shall pay the debt due on the mortgage, or the amount of any sale
4 of said premises sold on execution, or any part ~~thereof~~ **of the**
5 **property**, the amount ~~so~~ paid on the mortgage or execution sale
6 shall be paid, with interest, to ~~such~~ **the** purchaser or
7 creditor, in redeeming the premises, or purchasing the rights of
8 ~~such~~ **the** purchaser or creditor, as ~~the case may be according~~
9 ~~to the provisions of~~ **provided under** this chapter.

10 (3) Upon ~~such~~ payment being made, the title of the original
11 purchaser shall be ~~thereby~~ transferred to the creditor
12 acquiring ~~the same pursuant to~~ **title under** the foregoing
13 provisions ~~,~~ and from ~~such~~ **the** creditor to any other creditor
14 becoming a purchaser ~~thereof as hereinbefore provided~~ **of the**
15 **property**.

16 (4) If an automation fund is created under section 2568, any
17 fees or charges collected by the register of deeds under this
18 section or section 3140, 3240, or 6062 shall be credited to the
19 automation fund.

20 Enacting section 1. Sections 3272 and 6058 of the revised
21 judicature act of 1961, 1961 PA 236, MCL 600.3272 and 600.6058,
22 are repealed.