

HOUSE BILL NO. 5046

September 24, 2025, Introduced by Reps. O'Neal, Neeley, Myers-Phillips, Young, MacDonell, Robinson, Mueller, Frisbie, Harris, Outman, Schmaltz, Neyer, Scott, Roth, Borton, Woolford and Slagh and referred to Committee on Regulatory Reform.

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending sections 3232 and 3240 (MCL 600.3232 and 600.3240),
section 3240 as amended by 2019 PA 130.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3232. **(1)** The ~~officer or~~ person making the sale **under**
2 **section 3216** shall ~~forthwith~~ **promptly** execute, acknowledge, and
3 deliver ~~to~~ to each purchaser a deed of the premises bid off by ~~him,~~
4 ~~and if the person. If~~ the lands are situated **property is located** in
5 ~~several counties he~~ **more than 1 county, the person** shall make a
6 separate ~~deeds of~~ **deed for** the lands **property** in each county ~~and~~

specify ~~therein~~ **in each deed** the precise ~~amounts~~ **amount** for which each parcel of land ~~therein~~ **described in the deed** was sold. ~~And he~~

(2) **The person making the sale** shall ~~endorse upon~~ **state in** each deed **executed under subsection (1)** the time when the ~~same~~ **deed** will become operative ~~in case~~ **if** the premises are not redeemed according to law. ~~Such~~

(3) **The deed or deeds** shall, ~~executed under subsection (1)~~ **must**, as soon as practicable, ~~and within 20 days after such~~ **the** sale, be deposited with the register of deeds of the county in which the ~~land therein~~ **property described in the deed** is situated, ~~and the~~ **located. The** register shall ~~endorse thereon~~ **do all of the** following:

(a) **Endorse on the deed** the time the ~~same~~ **deed** was received. ~~and for the~~

(b) **To** better ~~preservation thereof~~, shall **preserve the deed**, record the ~~same~~ **deed** at length in a book to be provided in ~~his~~ **the** register's office for that purpose. ~~and shall index~~

(c) **Index** the ~~same~~ **deed** in the regular index of deeds. ~~and the~~

(4) **The fee for recording the** ~~same~~ **shall deed under subsection (3)** **must** be included among the other costs and expenses **of the foreclosure as** allowed by law. ~~In case such~~

(5) **If a deed is not recorded within 20 days after the sale as required under subsection (3), the sale is not invalid, but the applicable redemption period begins on the date the deed is recorded.**

(6) **If the premises** shall ~~be described in a deed recorded under subsection (3)~~ **is** redeemed, the register of deeds shall, at the time of destroying ~~such the~~ **deed**, ~~as provided in~~ **under** section

1 3244, ~~of this chapter,~~ write on the face of ~~such-the~~ record the
2 word "Redeemed", stating ~~at what-the~~ date ~~such-the~~ entry is made,
3 and signing ~~such-the~~ entry with ~~his-the~~ **register's** official
4 signature.

5 Sec. 3240. (1) A purchaser's deed under section 3232 is void
6 if the mortgagor, the mortgagor's heirs or personal representative,
7 or any person that has a recorded interest in the property lawfully
8 claiming under the mortgagor or the mortgagor's heirs or personal
9 representative redeems the entire premises sold by paying the
10 amount required under subsection (2) and any amount required under
11 subsection (4), within the applicable time limit prescribed in
12 subsections (7) to (12), to the purchaser or the purchaser's
13 personal representative or assigns, or to the register of deeds in
14 whose office the deed is deposited for the benefit of the
15 purchaser.

16 (2) The amount required to be paid under subsection (1) is the
17 amount that was bid for the entire premises sold, interest from the
18 date of the sale at the interest rate provided for by the mortgage,
19 the amount of the sheriff's fee paid by the purchaser under section
20 2558(2)(q), and an additional \$5.00 as a fee for the care and
21 custody of the redemption money if the payment is made to the
22 register of deeds. Except as provided in subsection (14), the
23 register of deeds shall not determine the amount necessary for
24 redemption. The purchaser shall provide an affidavit with the deed
25 to be recorded under this section that states the exact amount
26 required to redeem the property under this subsection, including
27 any daily per diem amounts, and the date by which the property must
28 be redeemed ~~shall-must~~ be stated on the certificate of sale. The
29 purchaser may include in the affidavit the name of a designee

1 responsible on behalf of the purchaser to assist the person
2 redeeming the property in computing the exact amount required to
3 redeem the property. The designee may charge a fee of not more than
4 \$250.00 as stated in the affidavit and may be authorized by the
5 purchaser to receive redemption money. The purchaser shall accept
6 the amount computed by the designee.

7 (3) If a distinct lot or parcel separately sold is redeemed,
8 leaving a portion of the premises unredeemed, the deed is void only
9 to the redeemed parcel or parcels.

10 (4) If, after a sale under section 3216, the purchaser, the
11 purchaser's heirs or personal representative, or any person
12 lawfully claiming under the purchaser or the purchaser's heirs or
13 personal representative pays taxes assessed against the property,
14 amounts necessary to redeem senior liens from foreclosure,
15 condominium assessments, homeowner association assessments,
16 community association assessments, or premiums on an insurance
17 policy covering any buildings located on the property that under
18 the terms of the mortgage it would have been the duty of the
19 mortgagor to pay if the mortgage had not been foreclosed and that
20 are necessary to keep the policy in force until the expiration of
21 the period of redemption, the property may be redeemed only on
22 payment of the amount specified in subsection (2) plus the amounts
23 specified in this subsection with interest on the amounts specified
24 in this subsection from the date of the payment to the date of
25 redemption at the interest rate specified in the mortgage. This
26 subsection does not apply unless all of the following are filed
27 with the register of deeds with whom the deed is deposited:

28 (a) An affidavit by the purchaser or someone in his or her
29 behalf who has knowledge of the facts of the payment showing the

1 amount and items paid.

2 (b) The receipt or copy of the canceled check evidencing the
3 payment of the taxes, amounts necessary to redeem senior liens from
4 foreclosure, condominium assessments, homeowner association
5 assessments, community association assessments, or insurance
6 premiums.

7 (c) An affidavit of an insurance agent of the insurance
8 company stating that the payment was made and what portion of the
9 payment covers the premium for the period before the expiration of
10 the period of redemption.

11 (5) If the redemption payment in subsection (4) includes an
12 amount used to redeem a senior lien from a nonjudicial foreclosure,
13 the mortgagor has the same defenses against the purchaser with
14 respect to the amount used to redeem the senior lien as the
15 mortgagor would have had against the senior lien.

16 (6) The register of deeds shall indorse on documents filed
17 under subsection (4) the time they are received. The register of
18 deeds shall record the affidavit of the purchaser only and shall
19 preserve in his or her files the recorded affidavit, receipts,
20 insurance receipts, and insurance agent's affidavit until
21 expiration of the period of redemption.

22 (7) Subject to section 3238, for a mortgage executed on or
23 after January 1, 1965, of commercial or industrial property, or
24 multifamily residential property in excess of 4 units, the
25 redemption period is 6 months from the date of the sale.

26 (8) Subject to subsections (9) to (11) and section 3238, for a
27 mortgage executed on or after January 1, 1965, of residential
28 property not exceeding 4 units, if the amount claimed to be due on
29 the mortgage at the date of the notice of foreclosure is more than

1 66-2/3% of the original indebtedness secured by the mortgage, the
2 redemption period is 6 months.

3 (9) For a mortgage of residential property not exceeding 4
4 units, if the property is abandoned as determined under section
5 3241, the redemption period is 1 month.

6 (10) If the property is abandoned as determined under section
7 3241a, the redemption period is 30 days or until the time to
8 provide the notice required by section 3241a(c) expires, whichever
9 is later.

10 (11) Subject to section 3238, for a mortgage of property that
11 is used for agricultural purposes, the redemption period is 1 year
12 from the date of the sale.

13 (12) If subsections (7) to (11) do not apply, and subject to
14 section 3238, the redemption period is 1 year from the date of the
15 sale.

16 (13) The amount stated in any affidavits recorded under this
17 section is the amount necessary to satisfy the requirements for
18 redemption under this section.

19 (14) The register of deeds of a county with a population of
20 more than 750,000 and less than 1,500,000, at the request of a
21 person entitled to redeem the property under this section, shall
22 determine the amount necessary for redemption. In determining the
23 amount, the register of deeds shall consider only the affidavits
24 recorded under subsections (2) and (4). A county, register of
25 deeds, or employee of a county or register of deeds is not liable
26 for damages proximately caused by an incorrect determination of an
27 amount necessary for redemption under subsection (2).

28 (15) A register of deeds may charge not more than \$50.00 for
29 determining the amount necessary for redemption under this section.

1 (16) For purposes of this section, there is a presumption that
2 the property is used for agricultural purposes if, before the
3 foreclosure sale under this chapter, the mortgagor provides the
4 party foreclosing the mortgage and the foreclosing party's attorney
5 proof that the mortgagor filed a schedule F to the mortgagor's
6 federal income tax form 1040 for the year preceding the year in
7 which the proceedings to foreclose the mortgage were commenced and
8 records an affidavit with the register of deeds for the county in
9 which the property is located stating that the proof has been
10 delivered. If the mortgagor fails to provide proof and record an
11 affidavit as required by this subsection before the foreclosure
12 sale, there is a presumption that the property is not used for
13 agricultural purposes. The party foreclosing the mortgage or the
14 mortgagor may file a civil action to produce evidence to rebut a
15 presumption created by this subsection. An action under this
16 subsection must be filed before the expiration of the redemption
17 period that would apply if the property is determined not to be
18 used for agricultural purposes.

19 **(17) If the purchaser's deed under section 3232 is recorded**
20 **more than 20 days after the date of the sale, the applicable**
21 **redemption period under subsections (7) to (12) begins on the date**
22 **the deed is recorded.**