

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 931

A bill to amend 1966 PA 346, entitled  
"State housing development authority act of 1966,"  
by amending sections 48i and 49j (MCL 125.1448i and 125.1449j),  
section 48i as added by 1981 PA 173 and section 49j as amended by  
1993 PA 221.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 48i. (1) The mortgagor, ~~—his or her—~~ **the mortgagor's**  
2 heirs, executors, ~~—or—~~ administrators, ~~—~~ or any person lawfully  
3 claiming ~~—from or—~~ under the mortgagor or the mortgagor's heirs,  
4 executors, or administrators may redeem the entire premises sold  
5 by paying, within 6 months from the ~~—time—~~ **date** of the sale, to  
6 the purchaser ~~—, to—~~ **or** the purchaser's executors,  
7 administrators, or assigns, ~~—~~ or to the register of deeds in  
8 whose office the deed of sale is deposited as provided in the  
9 court rules, for the benefit of the purchaser, the sum which was

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

3 (2) The vendee of a land contract, ~~-, his or her~~ **the**  
4 **vendee's** heirs, executors, ~~or~~ administrators, ~~-,~~ or any person  
5 lawfully claiming ~~from or~~ under the vendee of a land contract  
6 or the **vendee's** heirs, executors, or administrators ~~of the~~  
7 ~~vendee~~ of a land contract may redeem the entire premises sold  
8 within 6 months from the ~~time~~ **date** of the sale by paying to the  
9 purchaser ~~-, to~~ **or** the purchaser's executors, administrators, or  
10 assigns, ~~-,~~ or to the register of deeds in whose office the deed  
11 of sale is deposited as provided in the court rules, for the  
12 benefit of the purchaser, the sum which was bid with interest  
13 from the ~~time~~ **date** of the sale at the **interest** rate ~~percent~~  
14 ~~borne~~ **provided for** by the land contract. In case the sum is  
15 paid to the register of deeds, the sum of \$5.00 shall be paid to  
16 the register of deeds as a fee for the care and custody of the  
17 redemption money. ~~After these sums have been paid~~

18 (3) **Upon the payment of sums required under this section,** the  
19 deed of sale is void. ~~and of no effect, but in case any~~ **If a**  
20 distinct lot or parcel separately sold is redeemed, leaving a  
21 portion of the premises unredeemed, then the deed of sale is  
22 ~~inoperative merely~~ **void only** as to the portion or portions of  
23 the premises which are redeemed. ~~and to the portions not~~  
24 ~~redeemed it remains valid and of full effect.~~ **[The register of deeds**  
25 **shall not determine the amount necessary for redemption.**

26 **] The purchaser shall attach**  
27 **an affidavit with the deed to be recorded that states the exact**

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1 amount required to redeem the property, including any daily per  
 2 diem amounts, and the date by which the property must be redeemed  
 3 shall be stated in the certificate of sale. [  
 4  
 5 ] The purchaser  
 6 may include in the affidavit the name of a designee responsible  
 7 on behalf of the purchaser to assist the person redeeming the  
 8 property in computing the exact amount required to redeem the  
 9 property. The designee may charge a fee as stated in the  
 10 affidavit [and may be authorized by the purchaser to receive redemption  
 funds]. The purchaser shall accept the amount computed by the  
 11 designee.  
 [(4) The amount stated in any affidavits recorded under this section  
 shall be the amount necessary to satisfy the requirements for redemption  
 under this section.]  
 12 Sec. 49j. (1) If the mortgagor, ~~his or her~~ the  
 13 mortgagor's heirs, executors, ~~or~~ administrators, ~~or~~ or any  
 14 person lawfully claiming ~~from, or~~ under the mortgagor or the  
 15 mortgagor's heirs, executors, or administrators, redeems the  
 16 entire premises sold within the ~~applicable time limit~~ time  
 17 prescribed in this section by paying to the purchaser ~~to~~ or  
 18 the purchaser's executors, administrators, or assigns, ~~or~~ or to  
 19 the register of deeds in whose office the deed is deposited for  
 20 the benefit of the purchaser, the sum which was bid for the  
 21 premises, with interest from the ~~time~~ date of the sale at the  
 22 interest rate ~~percent, borne~~ provided for by the mortgage, and  
 23 in case the payment is made to the register of deeds, the sum of  
 24 \$5.00 as a fee for the care and custody of the redemption money,  
 25 then the deed ~~shall be~~ is void. ~~and of no effect.~~ If a  
 26 distinct lot or parcel separately sold is redeemed, leaving a  
 27 portion of the premises unredeemed, then the deed ~~shall be~~

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1 ~~inoperative merely~~ is void only as to the parcel or parcels ~~so~~  
 2 redeemed. ~~—, and to those portions not so redeemed shall remain~~  
 3 ~~valid and of full effect.~~ [The register of deeds shall not determine the  
 4 amount necessary for redemption.]

5                     ] The purchaser shall attach an affidavit with  
 6 the deed to be recorded that states the exact amount required to  
 7 redeem the property, including any daily per diem amounts, and  
 8 the date by which the property must be redeemed shall be stated  
 9 in the certificate of sale. [

10

11                     ] The purchaser may include in the  
 12 affidavit the name of a designee responsible on behalf of the  
 13 purchaser to assist the person redeeming the property in  
 14 computing the exact amount required to redeem the property. The  
 15 designee may charge a fee as stated in the affidavit [and may be  
 authorized by the purchaser to receive redemption funds]. The  
 16 purchaser shall accept the amount computed by the designee.

17             (2) If, following the sale, the purchaser pays ~~a sum as~~ any  
 18 taxes assessed against the property or **insurance** premiums ~~upon~~  
 19 ~~an insurance policy~~ covering any buildings located on the  
 20 property which under the terms of the mortgage ~~it would have~~  
 21 ~~been~~ **were** the duty of the mortgagor ~~to have paid, had the~~  
 22 ~~mortgage not been foreclosed,~~ and ~~which premiums~~ are necessary  
 23 to keep the policy in force until the expiration of the period of  
 24 redemption, and the purchaser or ~~someone in his or her behalf~~ a  
 25 **representative of the purchaser** having knowledge of the facts  
 26 ~~makes~~ **may make** an affidavit of the payment showing the amount  
 27 and items paid, together with the receipt ~~evidencing the~~ of

1 payment of the taxes or insurance premiums, ~~as the case may be,~~  
2 together with an affidavit of an insurance agent of the insurance  
3 company stating the making of the payment and also what portion  
4 of the policy covers the premium for the period ~~prior to~~ **before**  
5 the expiration of the period of redemption, the affidavits and  
6 the receipt shall be filed with the register of deeds with whom  
7 the deed is deposited, who shall endorse on the deed the time the  
8 affidavits and receipt were received. The register of deeds  
9 shall record ~~at length~~ the affidavit of the purchaser only and  
10 ~~shall preserve in his or her files~~ **file** the recorded affidavit,  
11 together with the tax and insurance receipts and insurance  
12 agent's affidavit, until expiration of the period of redemption.

13 (3) After the purchaser's affidavit is recorded **under this**  
14 **section**, redemption shall only be made upon payment of the sum  
15 specified in ~~this subsection plus the amount shown by the~~  
16 ~~affidavits and receipts to have been so paid~~ **subsections (1) and**  
17 **(2)**, with interest on the amount, from the date of the payment to  
18 the date of redemption, at the **interest** rate specified in the  
19 mortgage.

20 (4) ~~—(2)—~~ In the case of a mortgage executed on commercial or  
21 industrial property, or multifamily residential property in  
22 excess of 4 units, the redemption period is 6 months from the  
23 time of the sale.

24 (5) ~~—(3)—~~ In the case of a mortgage executed on residential  
25 property not exceeding 4 units and not more than 3 acres in size,  
26 if the amount claimed to be due on the mortgage at the date of  
27 the notice of foreclosure is more than 66-2/3% of the original

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1 indebtedness secured by the mortgage, the redemption period is 6  
2 months.

3       (6) ~~—(4)—~~ In the case of a mortgage on residential property  
4 not exceeding 4 units and not more than 3 acres in size, if the  
5 property is abandoned as determined ~~—pursuant to—~~ **under** section  
6 49k, the redemption period is 3 months.

7       (7) ~~—(5)—~~ In the case of any mortgage on residential property  
8 not exceeding 4 units and not more than 3 acres in size, if the  
9 amount claimed to be due on the mortgage at the date of the  
10 notice of foreclosure is more than 66-2/3% of the original  
11 indebtedness secured by the mortgage and the property is  
12 abandoned as determined ~~—pursuant to—~~ **under** section 49k, the  
13 redemption period is 1 month.

14       (8) ~~—(6)—~~ If the property is abandoned as determined  
15 ~~—pursuant to—~~ **under** section 49v, the redemption period is 30  
16 days.

17       (9) ~~—(7)—~~ In any other case not otherwise described in this  
18 section, the redemption period is 1 year from the date of the  
19 sale.

20       (10) If an automation fund is established under section 2568  
21 of the revised judicature act of 1961, MCL 600.2568, any fees or  
22 charges collected by the register of deeds under this section or  
23 section 48i shall be credited to the automation fund.

[ (11) The amount stated in any affidavits recorded under this  
section shall be the amount necessary to satisfy the requirements for  
redemption under this section.]