

Report on Public Policy Position

Name of section:

Real Property Law Section

Contact person:

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Bill Number:

[HB 5267](#) (Miller) Civil procedure; foreclosure; amount required to redeem foreclosed property; allow certain registers of deeds to calculate. Amends sec. 3240 of [1961 PA 236](#) (MCL [600.3240](#)).

[SB 0350](#) (Cassis) Civil procedure; foreclosure; amount required to redeem foreclosed property; allow certain registers of deeds to calculate. Amends sec. 3240 of [1961 PA 236](#) (MCL [600.3240](#)).

Date position was adopted:

December 2, 2009

Process used to take the ideological position:

Position adopted after discussion and vote at a scheduled meeting.

Number of members in the decision-making body:

16

Number who voted in favor and opposed to the position:

14 Voted for position

0 Voted against position

0 Abstained from vote

2 Did not vote

Position:

Oppose

Explanation of the position, including any recommended amendments:

(1) Amendments to MCL 600.3204(4) are inequitable, because in certain circumstances, a purchaser might be required to make insurance, tax or other applicable payments during the last 30 days before the redemption period expires, and in such cases the property can be redeemed without repayment of such amounts. Also, the 30-day requirement could disincite purchasers from making such payments because of the increased risk that the payment might not be added to the redemption amount.

(2) HB 5267 requires a purchaser to “accept” a redemption amount erroneously calculated by the register of deeds, and the register of deeds has no liability for such erroneous calculations. SB 350 does not expressly require a purchaser to “accept” a redemption amount erroneously calculated by the register of deeds, but because it authorizes the register of deeds to calculate the redemption amount it creates a statutory reliance argument by the redeeming party. Under either proposed legislation, this would likely result in litigation over title and the appropriateness of redemptions.

The text of any legislation, court rule, or administrative regulation that is the subject of or referenced in this report.

<http://legislature.mi.gov/doc.aspx?2009-HB-5267>

<http://legislature.mi.gov/doc.aspx?2009-SB-0350>