

Redemption Period Chart in Foreclosure by Advertisement

by H. Douglas Shepherd, IV, J.D.

Senate Bill 1203 amended MCL 600.3240, which describes the applicable redemption periods following a Foreclosure by Advertisement. The amendment took effect on January 3, 2007. Even after the amendment, this section of the Statute continues to be extremely and unnecessarily confusing. This is a classic example of poorly drafted statutory law in which the exceptions now swallow the rule and to decipher the intended result requires numerous readings (and some would argue a crystal ball and decoder ring).

As you can see from the chart below, what is unfortunate is that when broken down into its most basic parts and organized differently, the length of the redemption period is not as complicated as the Statute would leave you to believe.

Redemption Period Chart		
Foreclosure by Advertisement (Michigan)		
<i>After January 3, 2007 Amendment</i>		
Residential Property not exceeding 4 Units		
NOT ABANDONED		
	Current Balance as % of the original amount of indebtedness	
Size of Property	Greater than 66 ²/₃%	Less than or equal to 66 ²/₃%
Greater than 3 Acres	1 Year	1 Year
Less than or Equal to 3 Acres	6 Months	1 year
Residential Property not exceeding 4 Units		
ABANDONED (PRE-COMMENCEMENT)		
	Current Balance as % of the original amount of indebtedness	
Size of Property	Greater than 66 ²/₃%	Less than or equal to 66 ²/₃%
Greater than 3 Acres	1 Month	3 Months
Less than or Equal to 3 Acres	1 Month	3 Months
Residential Property not exceeding 4 Units		
ABANDONED (POST-COMMENCEMENT)		
Size of Property	Current Balance as % of the original amount of indebtedness	

	Greater than 66 ²/₃%	Less than or equal to 66 ²/₃%
Greater than 3 Acres	30 Days or 15 Days from posting and mailing of Abandonment Letter, whichever is later.	30 Days or 15 Days from posting and mailing of Abandonment Letter, whichever is later.
Less than or Equal to 3 Acres	30 Days or 15 Days from posting and mailing of Abandonment Letter, whichever is later.	30 Days or 15 Days from posting and mailing of Abandonment Letter, whichever is later.
Commercial, Industrial, and Residential Property in excess of 4 Units		
OTHER		
Commercial, Industrial, and Residential Property in excess of 4 Units	6 Months regardless of size, indebtedness or abandonment status.	
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