



Senate Fiscal Agency  
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**BILL ANALYSIS**

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House Bill 5859 (Substitute H-3 as reported by the Committee of the Whole)  
Sponsor: Representative Alexander C. Lipsey  
House Committee: Commerce  
Senate Committee: Banking and Financial Institutions

**CONTENT**

The bill would amend the Revised Judicature Act (RJA) to do both of the following:

- Require that a record chain of title exist before the sale date, if the party foreclosing a mortgage by advertisement were not the original mortgagee.
- Require a notice of foreclosure by advertisement to include the name of the original mortgagee, if the mortgage had been assigned.

The RJA allows a party to foreclose a mortgage by advertisement if certain circumstances exist. Among other things, if the foreclosing party is not the original mortgagee, there must be a record chain of title evidencing the assignment of the mortgage to the foreclosing party. Under the bill, this record chain of title would have to exist before the date of sale.

Under the RJA, every notice of foreclosure by advertisement must include the names of the mortgagor, the mortgagee, and the foreclosing assignee of a recorded assignment of the mortgage. The bill specifies that the notice would have to include the names of the mortgagor, the *original* mortgagee, and the foreclosing assignee, if any.

MCL 600.3204 & 600.3212

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 6-9-04

Fiscal Analyst: Bethany Wicksall

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