ASSIGNMENT OF RENTS TO ACCRUE AS ADDITIONAL MORTGAGE SECURITY
Act 210 of 1953

AN ACT to authorize the assignment of rents to accrue from existing leases as additional security to mortgage obligations.

History: 1953, Act 210, Eff. Oct. 2, 1953.

The People of the State of Michigan enact:

554.231 Assignment of rents to accrue from leases as additional mortgage security.

Sec. 1. Hereafter, in or in connection with any mortgage on commercial or industrial property other than an apartment building with less than 6 apartments or any family residence to secure notes, bonds or other fixed obligations, it shall be lawful to assign the rents, or any portion thereof, under any oral or written leases upon the mortgaged property to the mortgagee, as security in addition to the property described in such mortgage. Such assignment of rents shall be binding upon such assignor only in the event of default in the terms and conditions of said mortgage, and shall operate against and be binding upon the occupiers of the premises from the date of filing by the mortgagee in the office of the register of deeds for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of such notice upon the occupiers of the mortgaged premises.

History: 1953, Act 210, Eff. Oct. 2, 1953;—Am. 1966, Act 151, Imd. Eff. June 24, 1966.

554.232 Assignment of rents; validity.

Sec. 2. The assignment of rents, when so made, shall be a good and valid assignment of the rents to accrue under any lease or leases in existence or coming into existence during the period the mortgage is in effect, against the mortgagor or mortgagors or those claiming under or through them from the date of the recording of such mortgage, and shall be binding upon the tenant under the lease or leases upon service of a copy of the instrument under which the assignment is made, together with notice of default as required by section 1.

History: 1953, Act 210, Eff. Oct. 2, 1953;—Am. 1966, Act 151, Imd. Eff. June 24, 1966.

554.233 Modification of mortgage.

Sec. 3. While the mortgage remains in force no modification of the rental covenants in such lease shall be binding upon the holder of such mortgage without his written consent thereto.

History: 1953, Act 210, Eff. Oct. 2, 1953.

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