

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

125.1449u Action to recover deficiency judgment against mortgagor; defense; applicability of section.

Sec. 49u.

If, in the foreclosure of a mortgage by advertisement under this section and sections 49 to 49v, a sale of real property has been made or is made by the authority, at which the authority has become or becomes the purchaser, or takes or has taken title to the real property at the sale either directly or indirectly, and the authority sues for and undertakes to recover a deficiency judgment against the mortgagor or other maker of the obligation or any other person liable on the obligation, the defendant against whom such deficiency judgment is sought may allege and show, as a matter of defense and set-off to the extent only of the amount of the authority's claim, that the property sold was fairly worth the amount of the debt secured by it at the time and place of sale or that the amount bid was substantially less than its true value. The showing constitutes a defense to the action and defeats the deficiency judgment against the defendant, either in whole or in part to that extent. This section does not affect nor apply to the rights of other purchasers or of innocent third parties, nor shall it be held to affect or defeat the negotiability of any note, or other obligation secured by such mortgage or other instrument. The proceedings described in this section in no way affect the title of the purchaser to the lands acquired by such purchase. This section does not apply to foreclosure sales made pursuant to an order or decree of court nor to any judgment sought or rendered in any foreclosure suit nor to any chancery sale made and confirmed.

History: Add. 1981, Act 173, Imd. Eff. Dec. 10, 1981 ;-- Am. 1993, Act 221, Imd. Eff. Oct. 29, 1993