

MICHIGAN UNIFORM ASSIGNMENT OF RENTS ACT (EXCERPT)
Act 115 of 2022

***** 554.1055.new THIS NEW SECTION IS EFFECTIVE SEPTEMBER 22, 2022 *****

554.1055.new Recording with register of deeds; perfected security interest; priority.

Sec. 5. (1) A document creating an assignment of rents may be submitted for recording to the register of deeds in the same manner as any other document evidencing a conveyance of an interest in real property.

(2) Upon recording, the security interest in rents created by an assignment of rents is fully perfected, even if a provision of the document creating the assignment or law of this state other than this act would preclude or defer enforcement of the security interest until the occurrence of a subsequent event, including a subsequent default of the assignor, the assignee's obtaining possession of the real property, or the appointment of a receiver.

(3) Except as otherwise provided in subsection (4), a perfected security interest in rents takes priority over the rights of a person that, after the security interest is perfected, does either of the following:

(a) Acquires a judicial lien against the rents or the real property from which the rents arise. If the judicial lien arises out of a construction lien, the priority of the security interests in the rents must be determined under the construction lien act, 1980 PA 497, MCL 570.1101 to 570.1305.

(b) Purchases an interest in the rents or the real property from which the rents arise.

(4) A perfected security interest in rents has priority over the rights of a person described in subsection (3) with respect to future advances to the same extent as the assignee's security interest in the real property has priority over the rights of that person with respect to future advances.

History: 2022, Act 115, Eff. Sept. 22, 2022.