

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

***** 554.1057.new THIS NEW SECTION IS EFFECTIVE SEPTEMBER 22, 2022 *****

554.1057.new Appointment of receiver; petition; priority of receivers.

Sec. 7. (1) An assignee is entitled to the appointment of a receiver for the real property subject to the assignment of rents if either of the following applies:

(a) The assignor is in default and any of the following apply:

(i) The assignor has agreed in a signed document to the appointment of a receiver in the event of the assignor's default.

(ii) It appears likely that the real property and any other collateral granted by the assignor to the assignee may not be sufficient to satisfy the secured obligation.

(iii) The assignor has failed to turn over to the assignee proceeds that the assignee was entitled to collect under this act.

(iv) A subordinate assignee of rents obtains the appointment of a receiver for the real property.

(b) Other circumstances exist that would justify the appointment of a receiver under law of this state other than this act.

(2) An assignee may file a petition for the appointment of a receiver if any of the following apply:

(a) The petition is filed in connection with an action to foreclose the security instrument.

(b) The petition is filed in connection with an action for specific performance of the assignment.

(c) The petition is filed in connection with an action seeking a remedy on account of waste or threatened waste of the real property subject to the assignment.

(d) The petition is filed in connection with an action to otherwise enforce the secured obligation or the assignee's remedies arising from the assignment.

(e) Other circumstances exist that would justify the appointment of a receiver under law of this state other than this act.

(3) An assignee that files a petition for the appointment of a receiver shall also give a copy of the petition in the manner specified in section 3 to any other person that, 10 days before the date the petition is filed, held a recorded assignment of rents arising from the real property.

(4) If an assignee enforces an assignment of rents by seeking the appointment of a receiver, the date of enforcement is the date on which the assignee files a petition to appoint a receiver as to the assignment of rents if the court enters an order appointing a receiver for the real property subject to the assignment.

(5) From the date of its appointment, a receiver is entitled to collect rents as provided in section 6(2). The receiver also has the authority provided in the order of appointment and law of this state other than this act.

(6) The following rules govern priority among receivers:

(a) If more than 1 assignee qualify under this section for the appointment of a receiver, a receivership requested by an assignee entitled to priority in rents under this act has priority over a receivership requested by a subordinate assignee, even if a court has previously appointed a receiver for the subordinate assignee.

(b) If a subordinate assignee obtains the appointment of a receiver, the receiver may collect the rents and apply the proceeds in the manner specified in the order appointing the receiver until a receiver is appointed under a senior assignment of rents.

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