

## Land Contracts – Forfeiture Process

*Note: Forfeiture of a land contract is only allowed if the contract expressly gives the seller the right to declare a forfeiture. MCL 600.5726.*

If there is a default (buyer fails to pay the installments due under the contract or breaches the contract), seller may seek to retake the possession of the property through the forfeiture process.

First, the seller must serve a written notice of the forfeiture upon the buyer.

Unless the land contract provides for a longer time, the buyer has 15 days after being served with the notice of forfeiture to cure the default (paying the amount that is past due). MCL 600.5728.

*Note: The seller cannot accelerate the entire amount due on the contract under the forfeiture process.*

Once the buyer's time to cure has expired, the seller can file a complaint for possession in district court. MCL 600.5735.

The court will issue a summons setting a hearing date within 30 days after the summons is issued. MCL 600.5735.

If the seller is successful at trial (the judge finds that there is a default/breach of contract), the judge may enter a judgment of possession. MCL 600.5741.

If a judgment of possession is granted, the buyer has 90 days to redeem the property if less than 50% of the purchase price has been paid or 6 months to redeem if 50% or more of the purchase price has been paid. The redemption amount is the amount that is past due. MCL 600.5744(4).

Following the expiration of the redemption period, the seller may move for an order of eviction. MCL 600.5744(4).

**FORFEITURE TIMELINE:**

**DEFAULT**

- 1) Buyer Defaults. Seller serves written notice of forfeiture upon Buyer.

**RIGHT TO CURE – 15 DAYS**

- 2) Buyer has 15 days to cure.
- 3) If Buyer does not cure the default, Seller files a complaint for possession.

**HEARING DATE – 30 DAYS**

- 4) Court sets hearing date within 30 days.
- 5) If judge finds Buyer in default, judge grants judgment of possession.

**REDEMPTION PERIOD – 90 Days or 6 MONTHS**

- 6) Buyer has 90 days to redeem the property if less than 50% of the purchase price has been paid.

OR

Buyer has 6 months to redeem if 50% or more of the purchase price has been paid.

**ORDER OF EVICTION at the end of redemption period.**

Prepared by:  
Lorray S.C. Brown  
Michigan Poverty Law Program  
December 2022