

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

Form N-Q

June 22, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-07080

Name of Fund: BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield Michigan Quality Fund, Inc., 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2015

Date of reporting period: 04/30/2015

Item 1 Schedule of Investments

Schedule of Investments April 30, 2015 (Unaudited)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

| | Par | |
|---|--------------|---------------|
| | (000) | Value |
| Municipal Bonds | | |
| Michigan 136.1% | | |
| Corporate 4.9% | | |
| County of Monroe EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22 | \$ 10,695 | \$ 14,028,418 |
| County/City/Special District/School District 21.4% | | |
| Anchor Bay School District, GO, Refunding, (Q-SBLF): | | |
| 4.38%, 5/01/27 | 960 | 1,035,226 |
| 4.50%, 5/01/29 | 900 | 968,031 |
| Charter Township of Canton Michigan, GO, Capital Improvement (AGM): | | |
| 5.00%, 4/01/25 | 1,840 | 1,979,178 |
| 5.00%, 4/01/26 | 2,000 | 2,152,480 |
| 5.00%, 4/01/27 | 500 | 534,950 |
| City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30 | 500 | 518,800 |
| Columbia Michigan School District, GO, Unlimited Tax, School Building & Site (Q-SBLF), 5.00%, 5/01/38 | 3,215 | 3,609,738 |
| Comstock Park Public Schools, GO, School Building & Site, Series B (Q-SBLF): | | |
| 5.50%, 5/01/36 | 750 | 856,748 |
| 5.50%, 5/01/41 | 1,355 | 1,536,624 |
| County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19 | 600 | 612,330 |
| Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 5/01/39 | 3,300 | 3,717,351 |
| Dearborn School District, GO, Series A (Q-SBLF): | | |
| 5.00%, 5/01/32 | 930 | 1,058,210 |
| 5.00%, 5/01/33 | 990 | 1,124,897 |
| 5.00%, 5/01/34 | 745 | 843,541 |
| Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%, 10/01/41 | 3,070 | 3,285,268 |
| Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF): | | |
| 5.50%, 5/01/32 | 600 | 702,684 |
| 5.50%, 5/01/36 | 1,200 | 1,370,796 |
| 5.50%, 5/01/41 | 1,575 | 1,786,113 |
| | Par | |
| | (000) | Value |
| Municipal Bonds | | |
| Michigan (continued) | | |
| County/City/Special District/School District (concluded) | | |
| Grandville Public Schools, GO, School Building & Site (Q-SBLF), Series II, 5.00%, 5/01/40 (a) | \$ 2,015 | \$ 2,218,172 |
| Harper Creek Community School District Michigan, GO, Refunding, (AGM) (Q-SBLF), 5.00%, 5/01/22 | 1,125 | 1,129,365 |
| Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41 | 4,100 | 4,518,077 |
| L Anse Creuse Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/15 (b) | 3,000 | 3,000,390 |
| Lincoln Consolidated School District Michigan, GO, Refunding, (NPFGC) (Q-SBLF), 4.63%, 5/01/28 | 3,650 | 3,773,406 |
| Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 5/01/43 | 3,090 | 3,424,709 |
| Mattawan Consolidated School District, GO, Series I (Q-SBLF), 5.00%, 5/01/39 | 2,095 | 2,343,278 |
| Midland Public Schools, GO, School Building & Site (Q-SBLF), Series I, 5.00%, 5/01/34 (a) | 620 | 694,028 |
| Montrose Community Schools, GO, (NPFGC) (Q-SBLF), 6.20%, 5/01/17 | 415 | 434,725 |
| Romulus Community Schools, GO, Unlimited Tax, Refunding (AGM) (Q-SBLF): | | |
| 4.25%, 5/01/27 | 1,200 | 1,290,048 |
| 4.50%, 5/01/29 | 1,025 | 1,105,965 |
| Thornapple Kellogg School District Michigan, GO, Refunding, School Building & Site (NPFGC) (Q-SBLF), 5.00%, 5/01/17 (b) | 2,500 | 2,716,250 |
| Troy School District, GO, (Q-SBLF), 5.00%, 5/01/28 | 1,240 | 1,435,660 |
| Van Dyke Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/28 | 1,250 | 1,370,275 |
| Walled Lake Consolidated School District, GO, (Q-SBLF): | | |
| 5.00%, 5/01/37 | 1,770 | 1,994,312 |
| 5.00%, 5/01/40 | 1,630 | 1,827,572 |
| | | 60,969,197 |

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

APRIL 30, 2015

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Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| Michigan (continued) | | |
| Education 23.6% | | |
| Central Michigan University, Refunding RB, 5.00%, 10/01/39 | \$ 620 | \$ 702,038 |
| Grand Valley State University, RB, (NPFGC), 5.50%, 2/01/18 | 1,115 | 1,178,566 |
| Michigan Finance Authority, Refunding RB: | | |
| 5.00%, 11/15/45 | 2,325 | 2,535,785 |
| AMT, 4.00%, 11/01/28 | 5,425 | 5,429,394 |
| AMT, 4.00%, 11/01/29 | 3,660 | 3,643,091 |
| AMT, 4.00%, 11/01/30 | 1,770 | 1,747,521 |
| AMT, 4.00%, 11/01/31 | 1,955 | 1,925,636 |
| Michigan State University, Refunding RB, General: | | |
| Series A, 5.00%, 8/15/41 | 4,980 | 5,601,056 |
| Series C, 5.00%, 2/15/40 | 4,700 | 5,252,156 |
| Michigan Technological University, Refunding RB, Series A, 5.00%, 10/01/34 | 1,340 | 1,473,799 |
| Oakland University, RB, General, Series A: | | |
| 5.00%, 3/01/38 | 6,785 | 7,511,266 |
| 5.00%, 3/01/43 | 13,865 | 15,308,901 |
| University of Michigan, RB, Series A, 5.00%, 4/01/39 | 2,125 | 2,428,578 |
| Wayne State University, RB, Series A, 5.00%, 11/15/40 | 2,000 | 2,230,760 |
| Western Michigan University, Refunding RB: | | |
| General, University and College Improvements, 5.25%, 11/15/40 | 2,100 | 2,333,919 |
| General, University and College Improvements, 5.25%, 11/15/43 | 5,255 | 5,987,074 |
| General, University and College Improvements (AGM), 5.25%, 11/15/33 | 620 | 703,911 |
| General (AGM), 5.00%, 11/15/39 | 1,085 | 1,201,713 |
| | | 67,195,164 |
| Health 31.9% | | |
| Grand Traverse County Hospital Finance Authority, RB, Series A: | | |
| 5.00%, 7/01/44 | 1,075 | 1,187,176 |
| 5.00%, 7/01/47 | 1,365 | 1,504,367 |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36 | 4,750 | 5,140,212 |
| | Par | |
| | (000) | Value |
| Municipal Bonds | | |
| Michigan (continued) | | |
| Health (continued) | | |
| Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A, 5.00%, 11/15/29 | \$ 4,500 | \$ 5,108,130 |
| Michigan Finance Authority, RB, Sparrow Obligated Group, 5.00%, 11/15/36 | 1,550 | 1,666,746 |
| Michigan Finance Authority, Refunding RB: | | |
| 5.00%, 6/01/39 | 930 | 1,015,793 |
| Hospital McLaren Health Care, 5.00%, 5/15/33 (a) | 1,240 | 1,377,454 |
| Hospital McLaren Health Care, 5.00%, 5/15/34 (a) | 3,100 | 3,435,389 |
| Hospital McLaren Health Care, 5.00%, 5/15/35 (a) | 3,070 | 3,402,143 |
| Hospital, Oakwood Obligated Group, 5.00%, 8/15/31 | 930 | 1,023,270 |
| Trinity Health Credit Group, 5.00%, 12/01/31 | 3,100 | 3,495,591 |
| Trinity Health Credit Group, 5.00%, 12/01/35 | 4,100 | 4,571,090 |
| Trinity Health Credit Group, 5.00%, 12/01/39 | 3,350 | 3,715,920 |
| Michigan State Hospital Finance Authority, RB: | | |
| Ascension Health Senior Credit Group, 5.00%, 11/15/25 | 3,700 | 4,194,357 |
| McLaren Health Care, Series C, 5.00%, 8/01/15 | 1,000 | 1,010,730 |
| MidMichigan Obligated Group, Series A, 5.00%, 4/15/16 (b) | 620 | 647,658 |
| Michigan State Hospital Finance Authority, RB: | | |
| MidMichigan Obligated Group, Series A, 5.00%, 4/15/16 (b) | 3,550 | 3,708,365 |
| Michigan State Hospital Finance Authority, Refunding RB: | | |
| Henry Ford Health System, Series A, 5.25%, 11/15/46 | 2,500 | 2,615,925 |
| Hospital, Oakwood Obligated Group, 5.00%, 11/01/32 | 4,000 | 4,409,560 |
| Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (b) | 600 | 654,630 |
| Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (b) | 3,260 | 3,556,823 |

Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Michigan (continued) | | |
| Health (continued) | | |
| Michigan State Hospital Finance Authority, Refunding RB (concluded): | | |
| Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (b) | \$ 630 | \$ 687,362 |
| Hospital, Sparrow Obligated Group, 5.00%, 11/15/17 (b) | 2,200 | 2,430,406 |
| Hospital, Sparrow Obligated Group, 5.00%, 11/15/31 | 900 | 960,804 |
| McLaren Health Care, Series A, 5.75%, 5/15/18 (b) | 4,500 | 5,126,175 |
| McLaren Health Care, Series A, 5.00%, 6/01/35 | 1,390 | 1,528,041 |
| Trinity Health Credit Group, Series A, 6.25%, 12/01/18 (b) | 930 | 1,097,874 |
| Trinity Health Credit Group, Series C, 4.00%, 12/01/32 | 3,850 | 3,969,773 |
| Trinity Healthcare, 6.50%, 12/01/18 (b) | 790 | 938,307 |
| Trinity Healthcare, 6.50%, 12/01/33 | 210 | 243,575 |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital: | | |
| Series D, 5.00%, 9/01/39 | 11,000 | 11,990,990 |
| Series V, 8.25%, 9/01/18 (b) | 1,000 | 1,235,880 |
| Series W, 6.00%, 8/01/19 (b) | 925 | 1,106,457 |
| State of Michigan Hospital Finance Authority, Refunding RB, Henry Ford Health, 5.75%, 11/15/39 | 1,965 | 2,210,586 |
| | | 90,967,559 |
| Housing 9.1% | | |
| Michigan State HDA, RB: | | |
| Deaconess Tower, AMT (Ginnie Mae), 5.25%, 2/20/48 | 1,000 | 1,012,710 |
| Series A, 4.75%, 12/01/25 | 4,235 | 4,529,798 |
| Series A, 4.45%, 10/01/34 | 620 | 638,333 |
| Series A, 4.63%, 10/01/39 | 2,165 | 2,236,705 |
| Series A, 4.75%, 10/01/44 | 3,100 | 3,213,770 |
| Williams Pavilion, AMT (Ginnie Mae), 4.75%, 4/20/37 | 3,530 | 3,566,324 |
| Michigan State HDA, Refunding RB: | | |
| Rental Housing, Series D, 4.50%, 10/01/48 | 6,230 | 6,407,244 |
| Series A, 6.05%, 10/01/41 | 4,085 | 4,447,748 |
| | | 26,052,632 |
| Municipal Bonds | | |
| Michigan (continued) | | |
| State 16.2% | | |
| Michigan Finance Authority, Refunding RB, Detroit Regional Convention Facility Authority Local Project Bonds, 5.00%, 10/01/39 | | |
| | \$ 3,350 | \$ 3,710,460 |
| Michigan State Building Authority, Refunding RB, 5.00%, 10/15/31 | 1,000 | 1,051,390 |
| Michigan State Finance Authority, RB, Local Government Loan Program, Series F, 5.00%, 4/01/31 | 1,000 | 1,077,200 |
| Michigan Strategic Fund, RB, Michigan Senate Offices Project, Series A, 5.25%, 10/15/40 | 1,860 | 2,080,708 |
| Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%, 10/15/31 | 4,350 | 4,916,457 |
| State of Michigan, COP, (AMBAC), 0.00%, 6/01/22 (c)(d) | 3,000 | 2,628,390 |
| State of Michigan Building Authority, RB, Local Government Loan Program, Series F, 5.25%, 10/01/41 | 6,085 | 6,547,338 |
| State of Michigan Building Authority, Refunding RB, Facilities Program: | | |
| Series I, 6.25%, 10/15/38 | 3,900 | 4,500,249 |
| State of Michigan Building Authority, Refunding RB, Facilities Program: | | |
| Series I (AGC), 5.25%, 10/15/24 | 4,000 | 4,619,640 |
| Series I (AGC), 5.25%, 10/15/25 | 2,000 | 2,302,360 |
| Series I (AGC), 5.25%, 10/15/26 | 600 | 689,202 |
| Series I-A, 5.50%, 10/15/45 | 1,250 | 1,409,538 |
| Series II (AGM), 5.00%, 10/15/26 | 4,500 | 5,121,000 |
| State of Michigan Trunk Line Fund, RB: | | |
| 5.00%, 11/15/33 | 1,850 | 2,090,555 |
| 5.00%, 11/15/36 | 3,125 | 3,481,781 |
| | | 46,226,268 |
| Transportation 13.9% | | |
| State of Michigan, RB, GAB (AGM), 5.25%, 9/15/27 | 5,250 | 5,772,900 |

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

APRIL 30, 2015

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Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

| | Par | |
|--|--------------|--------------------|
| | (000) | Value |
| Municipal Bonds | | |
| Michigan (concluded) | | |
| Transportation (concluded) | | |
| Wayne County Airport Authority, RB, Detroit Metropolitan Wayne County Airport, AMT (NPFGC): | | |
| 5.25%, 12/01/25 | \$ 6,270 | \$ 6,432,895 |
| 5.25%, 12/01/26 | 6,300 | 6,463,674 |
| 5.00%, 12/01/34 | 4,435 | 4,530,131 |
| 5.00%, 12/01/39 | 915 | 997,121 |
| Wayne County Airport Authority, Refunding RB, AMT (AGC): | | |
| 5.75%, 12/01/25 | 4,000 | 4,504,680 |
| 5.75%, 12/01/26 | 1,000 | 1,126,170 |
| 5.38%, 12/01/32 | 8,700 | 9,692,148 |
| | | 39,519,719 |
| Utilities 15.1% | | |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 7/01/39 | | |
| | 1,645 | 1,766,681 |
| City of Detroit Michigan Water Supply System, RB, Senior Lien, Series A (NPFGC), 5.00%, 7/01/34 | | |
| | 1,425 | 1,429,760 |
| City of Detroit Michigan Water Supply System, Refunding RB, 2nd Lien, Series C (AGM), 5.00%, 7/01/29 | | |
| | 10,470 | 10,754,784 |
| City of Holland Michigan Electric Utility System, RB, Series A, 5.00%, 7/01/39 | | |
| | 6,425 | 7,127,445 |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A: | | |
| 5.00%, 7/01/27 | 1,970 | 2,263,904 |
| 5.00%, 7/01/31 | 4,230 | 4,767,633 |
| 5.00%, 7/01/37 | 2,065 | 2,276,415 |
| 5.50%, 7/01/41 | 3,000 | 3,504,510 |
| City of Port Huron Michigan, RB, Water Supply System: | | |
| 5.25%, 10/01/31 | 310 | 337,593 |
| 5.63%, 10/01/40 | 1,000 | 1,126,090 |
| Michigan Finance Authority, Refunding RB, Senior Lien, Detroit Water and Sewer, Series C-3: | | |
| 5.00%, 7/01/31 | 620 | 690,835 |
| 5.00%, 7/01/32 | 3,255 | 3,608,037 |
| 5.00%, 7/01/33 | 1,860 | 2,055,616 |
| | Par | |
| Municipal Bonds | | |
| | (000) | Value |
| Michigan (concluded) | | |
| Utilities (concluded) | | |
| Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund, Pooled Project, 5.00%, 10/01/27 | | |
| | \$ 1,240 | \$ 1,446,249 |
| | | 43,155,552 |
| Total Municipal Bonds in Michigan | | 388,114,509 |
| Guam 3.0% | | |
| State 3.0% | | |
| Territory of Guam, RB: | | |
| Business Privilege Tax Bonds, Series A, 5.25%, 1/01/36 | 500 | 553,500 |
| Business Privilege Tax Bonds, Series A, 5.13%, 1/01/42 | 4,850 | 5,293,823 |
| Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/32 | 925 | 1,016,085 |
| Business Privilege Tax Bonds, Series B-1, 5.00%, 1/01/37 | 40 | 43,614 |
| Limited Obligation Bonds, Section 30, Series A, 5.63%, 12/01/29 | 1,400 | 1,539,944 |
| Total Municipal Bonds in Guam | | 8,446,966 |
| U.S. Virgin Islands 2.1% | | |
| State 2.1% | | |
| Virgin Islands Public Finance Authority, Refunding RB, Series C, 5.00%, 10/01/39 | 5,540 | 5,993,671 |
| Total Municipal Bonds 141.2% | | 402,555,146 |

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**Municipal Bonds Transferred to
Tender Option Bond Trusts (e)**

Michigan 16.9%

County/City/Special District/School District 4.3%

| | | |
|---|-------|-----------|
| Lakewood Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/17 (b) | 6,771 | 7,356,196 |
|---|-------|-----------|

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BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

APRIL 30, 2015

Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

| Municipal Bonds Transferred to | Par | |
|--|---------------|-----------------------|
| Tender Option Bond Trusts (e) | (000) | Value |
| Michigan (concluded) | | |
| County/City/Special District/School District (concluded) | | |
| Portage Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/31 | \$ 4,650 | \$ 5,055,619 |
| | | 12,411,815 |
| Education 12.5% | | |
| Michigan State University, Refunding RB, General, Series A, 5.00%, 8/15/38 | 6,220 | 7,019,768 |
| Saginaw Valley State University, Refunding RB, General (AGM), 5.00%, 7/01/31 | 7,500 | 8,205,675 |
| Wayne State University, RB, General, Series A, 5.00%, 11/15/40 | 6,190 | 6,904,202 |
| Wayne State University, Refunding RB, General (AGM), 5.00%, 11/15/35 | 12,207 | 13,482,259 |
| | | 35,611,904 |
| Health 0.1% | | |
| Michigan Finance Authority, RB, Hospital, Trinity Health Credit Group, 5.00%, 12/01/39 | 190 | 210,754 |
| | | Value |
| Total Municipal Bonds Transferred to | | \$ 48,234,473 |
| Tender Option Bond Trusts 16.9% | | |
| Total Long-Term Investments | | |
| (Cost \$419,068,259) 158.1% | | 450,789,619 |
| Short-Term Securities | | |
| | Shares | |
| FFI Institutional Tax-Exempt Fund, 0.02% (f)(g) | 7,042,980 | 7,042,980 |
| Total Short-Term Securities | | |
| (Cost \$7,042,980) 2.5% | | 7,042,980 |
| Total Investments (Cost \$426,111,239*) 160.6% | | 457,832,599 |
| Liabilities in Excess of Other Assets (1.7)% | | (4,690,192) |
| Liability for TOB Trust Certificates, Including | | |
| Interest Expense and Fees Payable (8.2%) | | (23,494,757) |
| VRDP Shares, at Liquidation Value (50.7%) | | (144,600,000) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 285,047,650 |

* As of April 30, 2015, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

| | |
|-------------------------------|----------------|
| Tax cost | \$ 402,674,561 |
| Gross unrealized appreciation | \$ 32,066,494 |
| Gross unrealized depreciation | (395,456) |
| Net unrealized appreciation | \$ 31,671,038 |

Notes to Schedule of Investments

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(a) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized (Depreciation) |
|-----------------------------------|--------------|------------------------------|
| J.P. Morgan Securities LLC | \$ 8,214,986 | \$ (48,738) |
| National Financial Services Group | \$ 2,218,172 | \$ (37,076) |
| Stifel Nicolaus & Co., Inc. | \$ 694,028 | \$ (4,049) |

(b) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(c) Security is collateralized by municipal or U.S. Treasury obligations.

(d) Zero-coupon bond.

(e) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing.

(f) During the period ended April 30, 2015, investments in issuers considered to be an affiliate of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, INC.

APRIL 30, 2015

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Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc.
(MIY)

| Affiliate | Shares Held at July 31, 2014 | Net Activity | Shares Held at April 30, 2015 | Income |
|-----------------------------------|------------------------------------|-----------------|-------------------------------------|----------|
| BIF Michigan Municipal Money Fund | 3,889,640 | (3,889,640) | | |
| FFI Institutional Tax-Exempt Fund | | 7,042,980 | 7,042,980 | \$ 2,641 |

(g) Represents the current yield as of report date.

Portfolio Abbreviations

| | |
|---------------|---|
| AGC | Assured Guarantee Corp. |
| AGM | Assured Guaranty Municipal Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| COP | Certificates of Participation |
| EDC | Economic Development Corp. |
| GAB | Grant Anticipation Bonds |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| NPFGC | National Public Finance Guarantee Corp. |
| Q-SBLF | Qualified School Bond Loan Fund Program |
| RB | Revenue Bonds |

As of April 30, 2015, financial futures contracts outstanding were as follows:

| Contracts Short | Issue | Exchange | Expiration | Notional | |
|--------------------|----------------------------|------------------------|------------|--------------|----------------------------|
| | | | | Value | Unrealized Depreciation |
| (55) | 5-Year U.S. Treasury Note | Chicago Board of Trade | June 2015 | \$ 6,607,305 | \$ (59,807) |
| (142) | 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2015 | 18,229,250 | (160,486) |
| Total | | | | | \$ (220,293) |

For Fund compliance purposes, the Fund's sector classifications refer to any one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment advisor. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc.
(MIY)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Fund's most recent financial statements as contained in its semi-annual report.

As of April 30, 2015, the following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|----------------|----------------|----------------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments ¹ | | \$ 450,789,619 | | \$ 450,789,619 |
| Short-Term Securities | \$ 7,042,980 | | | 7,042,980 |
| Total | \$ 7,042,980 | \$ 450,789,619 | | \$ 457,832,599 |

¹ See above Schedule of Investments for values in each sector.

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Derivative Financial Instruments² | | | | |
| Liabilities: | | | | |
| Interest rate contracts | \$ (220,293) | | | \$ (220,293) |

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

Schedule of Investments (concluded)

BlackRock MuniYield Michigan Quality Fund, Inc.
(MIY)

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial reporting purposes. As of April 30, 2015, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|------------|------------------|---------|------------------|
| Assets: | | | | |
| Cash pledged for financial futures contracts | \$ 254,000 | | | \$ 254,000 |
| Liabilities: | | | | |
| TOB Trust Certificates | | \$ (23,487,000) | | (23,487,000) |
| VRDP Shares | | (144,600,000) | | (144,600,000) |
| Total | \$ 254,000 | \$ (168,087,000) | | \$ (167,833,000) |

During the period ended April 30, 2015, there were no transfers between levels.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniYield Michigan Quality Fund, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Michigan Quality Fund, Inc.

Date: June 22, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Michigan Quality Fund, Inc.

Date: June 22, 2015

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock MuniYield Michigan Quality Fund, Inc.

Date: June 22, 2015