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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **3475**

February 25, 2008

Authored by Mullery, Hilstrom, Thao, Mariani, Nelson and others

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice

March 6, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Commerce and Labor

1.1 A bill for an act  
1.2 relating to mortgages; amending various provisions relating to foreclosure;  
1.3 amending Minnesota Statutes 2006, sections 507.092, subdivision 1; 580.02;  
1.4 580.03; 580.041, subdivision 2; 580.06; 580.07; 580.12; 580.23, subdivision  
1.5 1; 580.25; 580.28; 580.30; 581.10; 582.03; 582.031; Minnesota Statutes 2007  
1.6 Supplement, sections 510.05; 550.19; 550.22; 550.24; 580.24; Laws 2004,  
1.7 chapter 263, section 26; proposing coding for new law in Minnesota Statutes,  
1.8 chapter 580.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 Section 1. Minnesota Statutes 2006, section 507.092, subdivision 1, is amended to read:

1.11 Subdivision 1. **To get tax statements.** (a) No contract for deed or deed conveying  
1.12 fee title to real estate shall be recorded by the county recorder or registered by the registrar  
1.13 of titles until the name and address of the grantee, to whom future tax statements should be  
1.14 sent, is printed, typewritten, stamped or written on it in a legible manner. An instrument  
1.15 complies with this subdivision if it contains a statement in the following form: "Tax  
1.16 statements for the real property described in this instrument should be sent to:

1.17 ..... (legal name of grantee) ..... (residential or business address)."

1.18 (b) The name provided under paragraph (a) must be the legal name of the grantee  
1.19 and the address must be the residential or business address of the grantee.

1.20 **EFFECTIVE DATE.** This section applies to a contract for deed or deed conveying  
1.21 fee title to real estate executed on or after August 1, 2008.

1.22 Sec. 2. Minnesota Statutes 2007 Supplement, section 510.05, is amended to read:

1.23 **510.05 LIMITATIONS.**

2.1 The amount of the homestead exemption shall not be reduced by and shall not extend  
2.2 to any mortgage lawfully obtained thereon, to any valid lien for taxes or assessments, to a  
2.3 claim filed pursuant to section 246.53 or 256B.15, to any charge arising under the laws  
2.4 relating to laborers or material suppliers' liens or to any charge obtained under section  
2.5 481.13 pursuant to a valid waiver of the homestead exemption.

2.6 Sec. 3. Minnesota Statutes 2007 Supplement, section 550.19, is amended to read:

2.7 **550.19 SERVICE ON JUDGMENT DEBTOR.**

2.8 If the sale is of personal property, at or before the time of posting notice of sale, the  
2.9 officer shall serve a copy of the execution and inventory, and of the notice, upon the  
2.10 judgment debtor, if the debtor is a resident of the county, in the manner required by law  
2.11 for the service of a summons in a civil action. If the sale is of real property, a judgment  
2.12 creditor must, at least four weeks before the appointed time of sale, serve a copy of the  
2.13 notice of sale in like manner as a summons in a civil action in the district court upon the  
2.14 judgment debtor if the judgment debtor is a resident of the county and upon any person  
2.15 in possession of the homestead other than the judgment debtor. In addition, the notice  
2.16 of sale must also be served upon all persons who have recorded a request for notice in  
2.17 accordance with section 580.032.

2.18 Sec. 4. Minnesota Statutes 2007 Supplement, section 550.22, is amended to read:

2.19 **550.22 CERTIFICATE OF SALE OF REALTY.**

2.20 When a sale of real property is made upon execution, or pursuant to a judgment or  
2.21 order of a court, unless otherwise specified therein, the officer shall execute and deliver  
2.22 to the purchaser a certificate containing:

2.23 (1) a description of the execution, judgment, or order;

2.24 (2) a description of the property;

2.25 (3) the date of the sale and the name of the purchaser;

2.26 (4) the price paid for each parcel separately;

2.27 (5) if subject to redemption, the time allowed by law therefor;

2.28 (6) the interest rate in effect on the date of the sheriff's sale; and

2.29 ~~(6)~~ (7) the amount of the debtor's homestead exemption, if any, as determined under  
2.30 section 550.175.

2.31 Such certificate shall be executed, acknowledged, and recorded in the manner  
2.32 provided by law for a conveyance of real property, shall be prima facie evidence of the  
2.33 facts stated, and, upon expiration of the time for redemption, shall operate as a conveyance  
2.34 to the purchaser of all the right, title, and interest of the person whose property is sold in

3.1 and to the same, at the date of the lien upon which the same was sold. Any person desiring  
3.2 to perpetuate evidence that any real property sold under this section was not homestead  
3.3 real property may procure an affidavit by the person enforcing the judgment, or that  
3.4 person's attorney, or someone having knowledge of the facts, setting forth that the real  
3.5 property was not homestead real property. The affidavit shall be recorded by the county  
3.6 recorder or registrar of titles, and the affidavit and certified copies of the affidavit shall  
3.7 be prima facie evidence of the facts stated in the affidavit.

3.8 Sec. 5. Minnesota Statutes 2007 Supplement, section 550.24, is amended to read:

3.9 **550.24 REDEMPTION OF REALTY.**

3.10 (a) Upon the sale of real property, if the estate sold is less than a leasehold of two  
3.11 years' unexpired term, the sale is absolute. In all other cases the property sold, or any  
3.12 portion thereof which has been sold separately, is subject to redemption as provided  
3.13 in this section.

3.14 (b) The judgment debtor, the debtor's heirs, successors, legal representatives, or  
3.15 assigns may redeem within one year after the day of sale, or order confirming sale if the  
3.16 property is a homestead, by paying, to the purchaser or the officer making the sale, the  
3.17 amount for which the property was sold with interest at the rate stated in the certificate of  
3.18 sale, on the amount of the sale in excess of the homestead exemption, at the judgment rate  
3.19 and if the purchaser is a creditor having a prior lien, the amount thereof, with interest, on  
3.20 the amount of the sale in excess of the homestead exemption, at the judgment rate together  
3.21 with any costs as provided in sections 582.03 and 582.031.

3.22 (c) If there is no redemption during the debtor's redemption period, creditors having  
3.23 a lien, legal or equitable, on the property or some part thereof, subsequent to that on  
3.24 which it was sold may redeem in the manner provided for redemption by creditors of the  
3.25 mortgagor in section 580.24, in the order of their respective liens.

3.26 (d) If the property is abandoned during the judgment debtor's redemption period,  
3.27 the person holding the sheriff's certificate may request that the court reduce the judgment  
3.28 debtor's redemption period to five weeks using the procedures provided for a foreclosure  
3.29 by action in section 582.032, subdivision 5.

3.30 Sec. 6. Minnesota Statutes 2006, section 580.02, is amended to read:

3.31 **580.02 REQUISITES FOR FORECLOSURE.**

3.32 To entitle any party to make such foreclosure, it is requisite:

3.33 (1) that some default in a condition of such mortgage has occurred, by which the  
3.34 power to sell has become operative;

4.1 (2) that no action or proceeding has been instituted at law to recover the debt then  
4.2 remaining secured by such mortgage, or any part thereof, or, if the action or proceeding  
4.3 has been instituted, that the same has been discontinued, or that an execution upon the  
4.4 judgment rendered therein has been returned unsatisfied, in whole or in part;

4.5 (3) that the mortgage has been recorded and, if it has been assigned, that all  
4.6 assignments thereof have been recorded; provided, that, if the mortgage is upon registered  
4.7 land, it shall be sufficient if the mortgage and all assignments thereof have been duly  
4.8 registered; and

4.9 (4) before the notice of pendency as required under section 580.032 is recorded, the  
4.10 party has complied with section 580.021.

4.11 **Sec. 7. [580.021] FORECLOSURE PREVENTION COUNSELING.**

4.12 Subdivision 1. **Applicability.** This section applies to foreclosure of mortgages under  
4.13 this chapter on property consisting of one to four family dwelling units, one of which  
4.14 the owner occupies as the owner's principal place of residency on the date of service of  
4.15 the notice of sale of the owner.

4.16 Subd. 2. **Requirement to provide notice of opportunity for counseling.** When  
4.17 the written notice required under section 47.20, subdivision 8, is provided and before the  
4.18 notice of pendency under section 580.032, subdivision 3, is filed, a party foreclosing on a  
4.19 mortgage must provide to the mortgagor information contained in a form prescribed in  
4.20 section 580.022, subdivision 1, that:

4.21 (1) foreclosure prevention counseling services provided by an authorized foreclosure  
4.22 prevention agency are available; and

4.23 (2) notice that the party will transmit the homeowner's name, address, and telephone  
4.24 number to an approved foreclosure prevention agency.

4.25 Nothing in this subdivision prohibits the notices required by this subdivision  
4.26 from being provided concurrently with the written notice required under section 47.20,  
4.27 subdivision 8.

4.28 For the purposes of this section, an "authorized foreclosure counseling agency" is  
4.29 a nonprofit agency approved by the Minnesota Housing Finance Agency or the United  
4.30 States Department of Housing and Urban Development to provide foreclosure prevention  
4.31 counseling services.

4.32 Subd. 3. **Notification to authorized counseling agency.** The party entitled to  
4.33 foreclose shall, within one week of sending the notice prescribed in section 580.022,  
4.34 provide to the appropriate authorized foreclosure prevention agency the mortgagor's  
4.35 name, address, and most recent known telephone number.

5.1 Subd. 4. **Notice of provision of counseling; request for contact information.** (a)  
 5.2 An authorized foreclosure prevention agency that contacts or is contacted by a mortgagor  
 5.3 or the mortgagor's authorized representative and agrees to provide foreclosure prevention  
 5.4 assistance services to the mortgagor or representative must provide the form prescribed in  
 5.5 section 580.022 to the mortgagee. The form serves as notice to the mortgagee that the  
 5.6 mortgagor is receiving foreclosure prevention counseling assistance.

5.7 (b) The mortgagee must return the form to the authorized foreclosure prevention  
 5.8 agency within 15 days of receipt of the form with the name and telephone number of the  
 5.9 mortgagee's agent. The agent must be a person authorized by the mortgagee to:

5.10 (1) discuss with the authorized foreclosure prevention agency or the mortgagor  
 5.11 the terms of the mortgage; and

5.12 (2) negotiate any resolution to the mortgagor's default.

5.13 (c) Nothing in this subdivision requires a mortgagee to reach a resolution relating to  
 5.14 the mortgagor's default.

5.15 **Sec. 8. [580.022] FORMS.**

5.16 Subdivision 1. **Counseling form.** The notice required under section 580.021,  
 5.17 subdivision 2, clause (2), must be printed on colored paper that is other than the color of  
 5.18 any other document provided with it and must appear substantially as follows:

5.19 **"PREFORECLOSURE NOTICE**

5.20 ***Foreclosure Prevention Counseling***

5.21 **Why You Are Getting This Notice**

5.22 We do not want you to lose your home and your equity. Government-approved  
 5.23 nonprofit agencies are available to, if possible, help you prevent foreclosure.

5.24 We have given your contact information to an authorized foreclosure prevention  
 5.25 counseling agency to contact you to help you prevent foreclosure.

5.26 **Who Are These Foreclosure Prevention Counseling Agencies**

5.27 They are nonprofit agencies who are experts in housing and foreclosure prevention  
 5.28 counseling and assistance. They are experienced in dealing with lenders and homeowners  
 5.29 who are behind on mortgage payments and can help you understand your options and  
 5.30 work with you to address your delinquency. They are approved by either the Minnesota  
 5.31 Housing Finance Agency or the United States Department of Housing and Urban  
 5.32 Development. They are not connected with us in any way.

5.33 **Which Agency Will Contact You**

5.34 [insert name, address, and telephone number of agency]

6.1 You can also contact them directly."

6.2 Subd. 2. **Notice of Counseling and Request for Contact Information form.** The  
6.3 notice required in section 580.021, subdivision 4, must be substantially in the following  
6.4 form:

6.5 **"PREFORECLOSURE NOTICE**

6.6 **NOTICE OF PROVISION OF FORECLOSURE PREVENTION COUNSELING**

6.7 **AND REQUEST FOR MORTGAGEE CONTACT INFORMATION**

6.8 [Insert agency name] has been contacted by your customer regarding foreclosure  
6.9 prevention counseling in response to the current foreclosure proceedings involving the  
6.10 customer's real property. Please provide the following contact information pursuant to  
6.11 Minnesota Statutes, section 580.021, subdivision 4, by completing and returning this form  
6.12 via fax [insert fax number] or via e-mail at [insert e-mail address].

6.13 **To be completed by Counseling Agency**

6.14 Consumer Name: \_\_\_\_\_

6.15 **CONSUMER CONTACT INFORMATION:**

6.16 Address: \_\_\_\_\_

6.17 City, State, Zip Code: \_\_\_\_\_

6.18 Daytime Phone: \_\_\_\_\_

6.19 Nighttime Phone: \_\_\_\_\_

6.20 **PROPERTY AT RISK FOR FORECLOSURE (if differs from above):**

6.21 Address: \_\_\_\_\_

6.22 City, State, Zip Code: \_\_\_\_\_

6.23 **COUNSELING AGENCY CONTACT:**

6.24 Name: \_\_\_\_\_

6.25 Agency: \_\_\_\_\_

6.26 Phone: \_\_\_\_\_

6.27 Fax: \_\_\_\_\_

6.28 E-mail: \_\_\_\_\_

6.29 **To be completed by Lender**

6.30 Contact Name: \_\_\_\_\_

6.31 Address: \_\_\_\_\_

6.32 City, State, Zip Code: \_\_\_\_\_

6.33 Phone: \_\_\_\_\_

6.34 Fax: \_\_\_\_\_

6.35 E-mail: \_\_\_\_\_ "

6.36 Sec. 9. Minnesota Statutes 2006, section 580.03, is amended to read:

6.37 **580.03 NOTICE OF SALE; SERVICE ON OCCUPANT.**

7.1 Commencing at least six weeks before the appointed time of sale, three weeks'  
 7.2 published notice shall be given that such mortgage will be foreclosed by sale of the  
 7.3 mortgaged premises or some part thereof, and at least four weeks before the appointed  
 7.4 time of sale a copy of such notice shall be served in like manner as a summons in a civil  
 7.5 action in the district court upon the person in possession of the mortgaged premises, if the  
 7.6 same are actually occupied. If there be a building on such premises used by a church or  
 7.7 religious corporation, for its usual meetings, service upon any officer or trustee of such  
 7.8 corporation shall be a sufficient service upon it. The notice required by ~~section~~ sections  
 7.9 580.041 and 580.042 must be served simultaneously with the notice of foreclosure  
 7.10 required by this section.

7.11 Sec. 10. Minnesota Statutes 2006, section 580.041, subdivision 2, is amended to read:

7.12 Subd. 2. **Content of notice.** The notice required by this section must appear  
 7.13 substantially as follows:

7.14 "Help For Homeowners in Foreclosure

7.15 ~~Minnesota law requires that we send you this notice about the foreclosure process.~~

7.16 ~~Please read it carefully.~~

7.17 The attorney preparing this foreclosure is: \_\_\_\_\_

7.18 (Attorney name, address, phone)

7.19 It is being prepared for:

7.20 \_\_\_\_\_

7.21 (Lender name, loss mitigation phone number)

7.22 AS OF [insert date], this lender says that you owe \$[insert dollar amount] to bring  
 7.23 your mortgage up to date. You must pay this amount to keep your house from going  
 7.24 through a sheriff's sale. The sheriff's sale is scheduled for [insert date] at [insert  
 7.25 time] at [insert place].

7.26 Mortgage foreclosure is a complex process. ~~Some~~ People may ~~approach~~ contact you  
 7.27 ~~about "saving" with advice and offers to help "save" your home. You should be~~  
 7.28 ~~careful about any such promises.~~

7.29 ~~The state encourages you to become informed about your options in foreclosure~~  
 7.30 ~~before entering into any agreements with anyone in connection with the foreclosure~~  
 7.31 ~~of your home. There are government agencies and nonprofit organizations that you~~  
 7.32 ~~may contact for helpful information about the foreclosure process. For the name and~~  
 7.33 ~~telephone number of an organization near you please call the Minnesota Housing~~  
 7.34 ~~Finance Agency (MHFA) at (insert telephone number). The state does not guarantee~~  
 7.35 ~~the advice of these agencies.~~

8.1 ~~Do not delay dealing with the foreclosure because your options may become more~~  
8.2 ~~limited as time passes."~~

8.3 **Remember:** It is important that you learn as much as you can about foreclosure and  
8.4 your situation. Find out about all your options before you make any agreements with  
8.5 anyone about the foreclosure of your home.

#### 8.6 **Getting Help**

8.7 As soon as possible, you should contact your lender at the above number to talk  
8.8 about things you might be able to do to prevent foreclosure. You should also  
8.9 consider contacting the foreclosure prevention counselor in your area. A foreclosure  
8.10 prevention counselor can answer your questions, offer free advice, and help you  
8.11 create a plan which makes sense for your situation.

8.12 Contact the Minnesota Home Ownership Center at 651-659-9336 or 866-462-6466  
8.13 or [www.hocmn.org](http://www.hocmn.org) to get the phone number and location of the nearest counseling  
8.14 organization. Call today. The longer you wait, the fewer options you may have for  
8.15 a desirable result.

#### 8.16 **Information About the Foreclosure Process**

8.17 You do not need to move at the time of the sheriff's sale. After the sheriff's sale you  
8.18 have the right to "redeem." Redeem means that you pay off the entire loan amount  
8.19 plus fees to keep your house. You can keep living in your home for a period of time.  
8.20 This is called a "redemption period." The redemption period is [insert number of  
8.21 months] months after the sheriff's sale. This redemption period is your chance to  
8.22 try and sell your home or refinance it with a different loan. You can also pay the  
8.23 redemption amount with any other funds you have available. At the end of the  
8.24 redemption period you will have to leave your home. If you do not, the person or  
8.25 company that bid on your home at the sheriff's sale has the right to file an eviction  
8.26 against you in district court."

### 8.27 **Sec. 11. [580.042] FORECLOSURE ADVICE NOTICE TO TENANT.**

8.28 Subdivision 1. **Applicability.** This section applies to foreclosure of mortgages  
8.29 under this chapter.

8.30 Subd. 2. **Form of delivery of notice.** The notice required by this section must be in  
8.31 14-point boldface type and must be printed on colored paper that is other than the color of  
8.32 the notice of foreclosure and of the notice to be given under section 580.041, subdivision  
8.33 1b, and that does not obscure or overshadow the content of the notice. The title of the  
8.34 notice must be in 20-point boldface type. The notice must be on its own page.

9.1 Subd. 3. **Content of notice.** The notice required by this section must appear  
9.2 substantially as follows.

9.3 **"Foreclosure: Advice to Tenants**

9.4 You are renting in a property that is in foreclosure. Minnesota law requires that we  
9.5 send you this notice about the foreclosure process. Please read it carefully.

9.6 **The mortgage foreclosure does not change the terms of your lease. You and**  
9.7 **your landlord must continue to follow the terms of your lease, including the rights**  
9.8 **and responsibilities of you and your landlord. You must keep paying rent unless you**  
9.9 **have a legal reason to withhold it. Your landlord must keep the property repaired.**  
9.10 **Utilities must be paid under the terms of your lease or under state law.**

9.11 **Moving out of the property early might be a violation of your lease.** The date  
9.12 of the sheriff's foreclosure sale is in the attached foreclosure notice. In most cases you  
9.13 do not need to move from the property before the sheriff's foreclosure sale. Read your  
9.14 lease to see if it says anything about foreclosure and about the rights you may have if the  
9.15 property is in foreclosure. If you have a month-to-month lease, the foreclosure notice does  
9.16 not change the rules for ending your lease. You and your landlord must still give legal  
9.17 notice to end your lease.

9.18 In most cases, your landlord has six months after the date of the sheriff's foreclosure  
9.19 sale to pay off the mortgage. This is called the "redemption period." Read the attached  
9.20 foreclosure notice to determine the length of the redemption period. You cannot be asked  
9.21 to move during the redemption period except for lease violations or if your lease expires  
9.22 during the redemption period. If your landlord stops the foreclosure, you may not have to  
9.23 move from the property. If your landlord does not stop the foreclosure, there will be a new  
9.24 owner of the property at the end of the redemption period.

9.25 The new owner may have the legal right to ask you to move even if your lease is  
9.26 not over. But, the new owner must still give you a written notice stating that the new  
9.27 owner wants you to move.

9.28 Do not wait to get information about foreclosure. Mortgage foreclosure is a  
9.29 complicated process. It is important you learn about your rights as a renter when there  
9.30 is a mortgage foreclosure. You may have fewer options if you wait too long. There  
9.31 are government agencies and nonprofit organizations that you may contact for helpful  
9.32 information about the foreclosure process. For the name and telephone number of an  
9.33 organization near you, please call the legal aid office or bar association office in your  
9.34 county. You also can find information on tenant rights at HOME Line at (866) 866-3546  
9.35 and Law Help Minnesota at <http://www.LawHelpMN.org>. The state of Minnesota does  
9.36 not guarantee the advice of these agencies and organizations."

10.1            Subd. 4. **Affidavit.** Any person may establish compliance with or inapplicability of  
 10.2 this section by recording, with the county recorder or registrar of titles, an affidavit by  
 10.3 a person having knowledge of the facts, stating that the notice required by this section  
 10.4 has been delivered in compliance with this section. The affidavit and a certified copy  
 10.5 of a recorded affidavit is prima facie evidence of the facts stated in the affidavit. The  
 10.6 affidavit may be recorded regarding any foreclosure sale, including foreclosure sales  
 10.7 that occurred prior to August 1, 2008, and may be recorded separately or as part of the  
 10.8 record of a foreclosure.

10.9            Subd. 5. **Validation of foreclosure sales; remedy for violation.** (a) No mortgage  
 10.10 foreclosure sale under this chapter is invalid because of failure to comply with this section.

10.11            (b) The remedy for a violation of this section is limited to actual damages caused by  
 10.12 the violation, not to exceed \$1,000, and is available only to the tenant of the mortgaged  
 10.13 premises who occupied the mortgaged premises during the redemption period of the  
 10.14 mortgagor. Any legal action brought to enforce the provisions of this section must be  
 10.15 commenced by the last day of the redemption period of the mortgagor. A person is not  
 10.16 liable in an action for a violation of this section if the person shows by a preponderance of  
 10.17 the evidence that the violation was not intentional and resulted from a bona fide error and  
 10.18 the person adopted and maintained reasonable procedures to avoid the error. A plaintiff  
 10.19 does not have cause of action if the defendant has complied with section 580.03.

10.20            Sec. 12. Minnesota Statutes 2006, section 580.06, is amended to read:

10.21            **580.06 SALE, HOW AND BY WHOM MADE.**

10.22            The sale shall be made by the sheriff or the sheriff's deputy at public vendue to the  
 10.23 highest bidder, in the county in which the premises to be sold, or some part thereof, are  
 10.24 situated, between 9:00 a.m. and ~~the setting of the sun~~ 4:00 p.m.

10.25            Sec. 13. Minnesota Statutes 2006, section 580.07, is amended to read:

10.26            **580.07 POSTPONEMENT.**

10.27            The sale may be postponed, from time to time, by the party conducting the  
 10.28 foreclosure, by inserting a notice of the postponement, as soon as practicable, in the  
 10.29 newspaper in which the original advertisement was published, ~~and continuing the~~  
 10.30 ~~publication until the time to which the sale is postponed,~~ at the expense of the party  
 10.31 requesting the postponement.

11.1 Sec. 14. Minnesota Statutes 2006, section 580.12, is amended to read:

11.2 **580.12 CERTIFICATE OF SALE; RECORD; EFFECT.**

11.3 When any sale of real property is made under a power of sale contained in any  
11.4 mortgage, the officer shall make and deliver to the purchaser a certificate, executed in the  
11.5 same manner as a conveyance, containing:

11.6 (1) a description of the mortgage;

11.7 (2) a description of the property sold;

11.8 (3) the price paid for each parcel sold;

11.9 (4) the time and place of the sale, and the name of the purchaser;

11.10 (5) the interest rate in effect on the date of the sheriff's sale; and

11.11 ~~(5)~~ (6) the time allowed by law for redemption, provided that if the redemption  
11.12 period stated in the certificate is five weeks and a longer redemption period was stated in  
11.13 the published notice of foreclosure sale, a certified copy of the court order entered under  
11.14 section 582.032, authorizing reduction of the redemption period to five weeks, must be  
11.15 attached to the certificate.

11.16 A certificate which states a five-week redemption period must be recorded within  
11.17 ten days after the sale; any other certificate must be recorded within 20 days after the  
11.18 sale. When so recorded, upon expiration of the time for redemption, the certificate shall  
11.19 operate as a conveyance to the purchaser or the purchaser's assignee of all the right, title,  
11.20 and interest of the mortgagor in and to the premises named therein at the date of such  
11.21 mortgage, without any other conveyance. A certificate must not contain a time allowed  
11.22 for redemption that is less than the time specified by section 580.23, 582.032, or 582.32,  
11.23 whichever applies.

11.24 Sec. 15. Minnesota Statutes 2006, section 580.23, subdivision 1, is amended to read:

11.25 Subdivision 1. **Six-month redemption period.** When lands have been sold in  
11.26 conformity with the preceding sections of this chapter, the mortgagor, the mortgagor's  
11.27 personal representatives or assigns, within six months after such sale, except as otherwise  
11.28 provided in subdivision 2 or section 582.032 or 582.32, may redeem such lands, as  
11.29 hereinafter provided, by paying the sum of money for which the same were sold, with  
11.30 interest from the time of sale at the rate provided to be paid on the mortgage debt as stated  
11.31 in the certificate of sale and, if no rate be provided in the ~~mortgage note~~ certificate of  
11.32 sale, at the rate of six percent per annum, together with any further sums which may be  
11.33 payable as provided in sections 582.03 and 582.031. Delivery of funds and documents  
11.34 for redemption must be made at the normal place of business of the recipient, on days  
11.35 other than Sunday, Saturday, and legal holidays, between the hours of 9:00 a.m. and 4:00

12.1 p.m. Regardless of the length of the redemption period, the sheriff may accept a specific  
12.2 sum less than the full amount due for redemption by the mortgagor upon receipt by the  
12.3 sheriff, prior to expiration of the redemption period, of written confirmation from the  
12.4 holder of the sheriff's certificate or the attorney for the holder of the sheriff's certificate  
12.5 that the holder of the sheriff's certificate has agreed to accept a specific sum less than the  
12.6 full amount due for redemption.

12.7 Sec. 16. Minnesota Statutes 2007 Supplement, section 580.24, is amended to read:

12.8 **580.24 REDEMPTION BY CREDITOR.**

12.9 (a) If no redemption is made by the mortgagor, the mortgagor's personal  
12.10 representatives or assigns, the most senior creditor having a legal or equitable lien upon  
12.11 the mortgaged premises, or some part of it, subsequent to the foreclosed mortgage, may  
12.12 redeem within seven days after the expiration of the redemption period determined under  
12.13 section 580.23 or 582.032, whichever is applicable; and each subsequent creditor having a  
12.14 lien may redeem, in the order of priority of their respective liens, within seven days after  
12.15 the time allowed the prior lienholder by paying the amount required under this section.  
12.16 However, no creditor is entitled to redeem unless, ~~within~~ one week or more prior to the  
12.17 expiration of the period allowed for redemption by the mortgagor, the creditor:

12.18 (1) records with each county recorder and registrar of titles where the foreclosed  
12.19 mortgage is recorded a notice of the creditor's intention to redeem;

12.20 (2) records ~~in each office~~ with each county recorder and registrar of titles where the  
12.21 notice of the creditor's intention to redeem is recorded all documents necessary to create  
12.22 the lien on the mortgaged premises and to evidence the creditor's ownership of the lien,  
12.23 including a copy of any money judgment necessary to create the lien; and

12.24 (3) after complying with clauses (1) and (2), delivers to the sheriff who conducted  
12.25 the foreclosure sale or the sheriff's successor in office a copy of each of the documents  
12.26 required to be recorded under clauses (1) and (2), with the office, date and time of filing  
12.27 for record stated on the first page of each document.

12.28 The sheriff shall maintain for public inspection all documents delivered to the sheriff  
12.29 and shall note the date of delivery on each document. The sheriff may charge a fee of  
12.30 \$100 for the documents delivered to the sheriff relating to each lien. The sheriff shall  
12.31 maintain copies of documents delivered to the sheriff for a period of six months after the  
12.32 end of the mortgagor's redemption period.

12.33 (b) Saturdays, Sundays, legal holidays, and the first day following the expiration  
12.34 of the prior redemption period must be included in computing the seven-day redemption  
12.35 period. When the last day of the period falls on Saturday, Sunday, or a legal holiday,

13.1 that day must be omitted from the computation. The order of redemption by judgment  
 13.2 creditors subsequent to the foreclosed mortgage shall be determined by the order in which  
 13.3 their judgments were entered as memorials on the certificate of title for the foreclosed  
 13.4 premises or docketed in the office of the district court administrator if the property is not  
 13.5 registered under chapter 508 or 508A, regardless of the homestead status of the property.  
 13.6 All mechanic's lienholders who have coordinate liens shall have one combined seven-day  
 13.7 period to redeem.

13.8 (c) The amount required to redeem from the holder of the sheriff's certificate of sale  
 13.9 is the amount required under section 580.23. The amount required to redeem from a  
 13.10 person holding a certificate of redemption is:

13.11 (1) the amount paid to redeem as shown on the certificate of redemption; plus

13.12 (2) interest on that amount to the date of redemption; plus

13.13 (3) the amount claimed due on the person's lien, as shown on the affidavit under  
 13.14 section 580.25, clause (3).

13.15 The amount required to redeem may be paid to the holder of the sheriff's certificate  
 13.16 of sale or the certificate of redemption, as the case may be, or to the sheriff for the holder.

13.17 Sec. 17. Minnesota Statutes 2006, section 580.25, is amended to read:

13.18 **580.25 REDEMPTION, HOW MADE.**

13.19 Redemption shall be made as provided in this section.

13.20 The person desiring to redeem shall pay the amount required by law for the  
 13.21 redemption, and shall produce to the person or officer receiving the redemption payment:

13.22 (1) a copy of the docket of the judgment, or of the recorded deed or mortgage, or  
 13.23 of the record or files evidencing any other lien under which the person claims a right to  
 13.24 redeem, ~~certified by the officer with custody of the docket, record, or files, or the original~~  
 13.25 ~~deed or mortgage with the certificate of record endorsed on it;~~

13.26 (2) a copy of any recorded assignment necessary to evidence the person's ownership  
 13.27 of the lien, ~~certified by the officer with custody of the assignment, or the original of each~~  
 13.28 ~~instrument of assignment with the certificate of record endorsed on it.~~ If the redemption is  
 13.29 under an assignment of a judgment, the assignment shall be filed in the court entering the  
 13.30 judgment, as provided by law, and the person so redeeming shall produce a ~~certified~~ copy  
 13.31 of it and of the record of its filing, and the copy of the docket shall show that the proper  
 13.32 entry was made upon the docket. No further evidence of the assignment of the judgment is  
 13.33 required unless the mortgaged premises or part of it is registered property, in which case  
 13.34 the judgment and all assignments of the judgment must be entered as a memorial upon the  
 13.35 certificate of title to the mortgaged premises and ~~the original~~ a copy of the judgment and

14.1 each assignment with the certificate of record endorsed on it, ~~or a copy certified by the~~  
14.2 ~~registrar of titles~~, must be produced; and

14.3 (3) an affidavit of the person or the person's agent, showing the amount then actually  
14.4 claimed due on the person's lien and required to be paid on the lien in order to redeem  
14.5 from the person. Additional fees and charges may be claimed due only as provided in  
14.6 section 582.03.

14.7 If redemption is made to the sheriff, the sheriff may charge a fee of \$250 for issuing  
14.8 the certificate of redemption and any related service. No other fee may be charged by the  
14.9 sheriff for a redemption.

14.10 Within 24 hours after a redemption is made, the person redeeming shall cause the  
14.11 documents so required to be produced to be ~~filed~~ recorded with the county recorder, or  
14.12 registrar of titles, who may receive fees as prescribed in section 357.18 or 508.82. If the  
14.13 redemption is made at any place other than the county seat, it is sufficient forthwith to  
14.14 deposit the documents in the nearest post office, addressed to the recorder or registrar of  
14.15 titles, with the postage prepaid. A person recording documents produced for redemption  
14.16 shall, on the same day, deliver copies of the documents to the sheriff for public inspection.  
14.17 The sheriff may receive a fee of \$20 for the documents delivered following a redemption.  
14.18 The sheriff shall note the date of delivery on the documents and shall maintain for public  
14.19 inspection all documents delivered to the sheriff for a period of six months after the end of  
14.20 the mortgagor's redemption period.

14.21 Sec. 18. Minnesota Statutes 2006, section 580.28, is amended to read:

14.22 **580.28 ACTION TO SET ASIDE MORTGAGE; FORECLOSURE;**  
14.23 **REDEMPTION.**

14.24 When an action is brought wherein it is claimed that any mortgage as to the plaintiff  
14.25 or person for whose benefit the action is brought is fraudulent or void, or has been paid or  
14.26 discharged, in whole or in part, or the relative priority or the validity of liens is disputed,  
14.27 if such mortgage has been foreclosed by advertisement, and the time for redemption  
14.28 from the foreclosure sale will expire before final judgment in such action, the plaintiff or  
14.29 beneficiary having the right to redeem, for the purpose of saving such right in case the  
14.30 action fails, may deposit with the sheriff before the time of redemption expires the amount  
14.31 for which the mortgaged premises were sold, with interest thereon to the time of deposit,  
14.32 together with a bond to the holder of the sheriff's certificate of sale, in an amount and with  
14.33 sureties to be approved by the sheriff, conditioned to pay all interest that may accrue or be  
14.34 allowed on such deposit if the action fail. The person shall, in writing, notify such sheriff  
14.35 that the person claims the mortgage to be fraudulent or void, or to have been paid or

15.1 discharged, in whole or in part, as the case may be, and that such action is pending, and  
15.2 direct the sheriff to retain such money and bond until final judgment. In case such action  
15.3 fails, such deposit shall operate as a redemption of the premises from such foreclosure  
15.4 sale, and entitle the plaintiff to a certificate thereof. Such foreclosure, deposit, bond, and  
15.5 notice shall be brought to the attention of the court by supplemental complaint in the  
15.6 action, and the judgment shall determine the validity of the foreclosure sale, and the rights  
15.7 of the parties to the moneys and bond so deposited, which shall be paid and delivered by  
15.8 the sheriff as directed by such judgment upon delivery to the sheriff of a certified copy  
15.9 thereof. The remedy herein provided shall be in addition to other remedies now existing.

15.10 Sec. 19. Minnesota Statutes 2006, section 580.30, is amended to read:

15.11 **580.30 MORTGAGES, WHEN REINSTATED.**

15.12 Subdivision 1. Reinstatement. In any proceedings for the foreclosure of a real estate  
15.13 mortgage, whether by action or by advertisement, if at any time before the sale of the  
15.14 premises under such foreclosure the mortgagor, the owner, or any holder of any subsequent  
15.15 encumbrance or lien, or any one for them, shall pay or cause to be paid to the holder of the  
15.16 mortgage so being foreclosed, or to the attorney foreclosing the same, or to the sheriff of  
15.17 the county, the amount actually due thereon and constituting the default actually existing  
15.18 in the conditions of the mortgage at the time of the commencement of the foreclosure  
15.19 proceedings, including insurance, delinquent taxes, if any, upon the premises, interest to  
15.20 date of payment, cost of publication and services of process or notices, attorney's fees not  
15.21 exceeding \$150 or one-half of the attorney's fees authorized by section 582.01, whichever  
15.22 is greater, together with other lawful disbursements necessarily incurred in connection  
15.23 with the proceedings by the party foreclosing, then, and in that event, the mortgage shall be  
15.24 fully reinstated and further proceedings in such foreclosure shall be thereupon abandoned.

15.25 Subd. 2. Request by sheriff. Upon written request by the sheriff, the holder of the  
15.26 mortgage or the holder's legal representative shall provide to the sheriff within seven days  
15.27 of the date of the request by the sheriff to the foreclosing attorney: (1) the current payoff  
15.28 amount, showing outstanding principal, interest, and a daily interest accrual amount, (2)  
15.29 an itemized schedule of the current amounts necessary to reinstate the mortgage, and (3)  
15.30 the identity of the person or entity with authority to act on behalf of the holder of the  
15.31 mortgage or the holder's legal representative. If the holder of the mortgage or the holder's  
15.32 legal representative fails to respond to the sheriff's request within seven days of the date  
15.33 of the request, the sheriff shall postpone the sheriff's sale and the sheriff shall announce  
15.34 at the sheriff's sale the postponement of the sale. The postponement does not need to be  
15.35 published. If the request by the sheriff is made seven days or less before the sheriff's sale,

16.1 the holder of the mortgage or the holder's representative shall make a good faith effort to  
 16.2 respond to the sheriff before the sheriff's sale, but the sheriff may conduct the sheriff's sale  
 16.3 without a response from the holder of the mortgage or the holder's legal representative.

16.4 Sec. 20. Minnesota Statutes 2006, section 581.10, is amended to read:

16.5 **581.10 REDEMPTION BY MORTGAGOR, CREDITOR.**

16.6 The mortgagor, or those claiming under the mortgagor, within the time specified in  
 16.7 section 580.23 or 582.032, whichever applies, after the date of the order of confirmation,  
 16.8 may redeem the premises sold, or any separate portion thereof, by paying the amount bid  
 16.9 therefor, with interest thereon from the time of sale ~~at the rate provided to be paid on the~~  
 16.10 ~~mortgage debt, not to exceed eight percent per annum, and, if no rate to be provided in the~~  
 16.11 ~~mortgage, at the rate of six percent~~ stated in the certificate of sale or, if no rate is provided  
 16.12 in the certificate of sale, at the rate of six percent per annum, together with any further sum  
 16.13 which may be payable pursuant to section 582.03 and 582.031. Creditors having a lien  
 16.14 may redeem in the order and manner specified in section 580.24.

16.15 Sec. 21. Minnesota Statutes 2006, section 582.03, is amended to read:

16.16 **582.03 PURCHASER MAY PAY TAXES AND OTHER EXPENSES DUE.**

16.17 Subdivision 1. Allowable costs collectable upon redemption. ~~The purchaser at~~  
 16.18 ~~any holder of any sheriff's certificate of sale, upon from a foreclosure by advertisement~~  
 16.19 ~~or action of a mortgage or lien or execution or at any judicial sale, or the holder of~~  
 16.20 ~~any certificate of redemption as a junior creditor during the period of redemption, may~~  
 16.21 ~~pay and claim the following on redemption: any taxes or assessments on which any~~  
 16.22 ~~penalty would otherwise accrue, and may pay the premium upon any policy of insurance~~  
 16.23 ~~procured in renewal of any expiring policy upon~~ any costs of a hazard insurance policy  
 16.24 for the holder's interest in the mortgaged premises, may pay incurred for the period of  
 16.25 holding the sheriff's certificate, any costs incurred when an order to reduce a mortgagor's  
 16.26 redemption period under section 582.032 is entered, any fees paid to the county recorder,  
 16.27 registrar of titles, or sheriff to obtain or record the certificates of sale or redemption or  
 16.28 notices of intention to redeem, any reasonable fees paid to licensed real estate brokers for  
 16.29 broker price opinions or to licensed appraisers for appraisals, any deed tax paid to file a  
 16.30 certificate of redemption, reasonable attorney fees incurred after the foreclosure sale not  
 16.31 to exceed one-half of the amount authorized by section 582.01, any costs incurred under  
 16.32 section 582.031, and may, in case any interest or installment of principal upon any prior or  
 16.33 superior mortgage, lien, or contract for deed is in default or shall become that becomes  
 16.34 due during the period of redemption, pay the same, and, In all such cases, the sum costs

17.1 so paid and claimed due, with interest, shall be a part of the sum required to be paid to  
17.2 redeem from such sale. No other costs, fees, interest, or other amount may be added to  
17.3 the amount necessary to redeem.

17.4 Subd. 2. **Affidavit of allowable costs.** ~~Such~~ Any payments made and claimed due  
17.5 under subdivision 1 shall be proved by the affidavit of the purchaser or the purchaser's  
17.6 holder of the sheriff's certificate or its agent or attorney, ~~stating the items~~ itemizing each  
17.7 of the allowable costs and describing the premises, ~~which must be filed for record with~~  
17.8 ~~the county recorder or registrar of titles, and a copy thereof shall be furnished to the~~  
17.9 ~~sheriff at least ten days before the expiration of the period of redemption.~~ The affidavit  
17.10 must be filed with the sheriff of the county in which the sale was held at any time prior to  
17.11 expiration of the mortgagor's redemption period. Upon written request by the sheriff, the  
17.12 holder of the sheriff's certificate or certificate of redemption shall provide an affidavit of  
17.13 allowable costs to the sheriff within seven days of the date of the request by the sheriff. If  
17.14 the mortgagor does not redeem within seven days after the affidavit is filed, the holder of  
17.15 the sheriff's certificate may file a supplemental affidavit if additional allowable costs are  
17.16 incurred during the redemption period. If the holder of the sheriff's certificate or certificate  
17.17 of redemption fails to respond to the sheriff's request within seven days, the sheriff may  
17.18 calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a  
17.19 certificate of redemption for that amount. If the time allowed to redeem is less than seven  
17.20 days from the expiration of the redemption period, the sheriff shall make a reasonable  
17.21 effort to request the affidavit of allowable costs in writing from the holder of the sheriff's  
17.22 certificate, its agent, or attorney before issuing a certificate of redemption. If the affidavit  
17.23 of allowable costs is not provided more than one business day before the expiration of  
17.24 the redemption period, at any time one business day or less before the expiration of the  
17.25 redemption period, the sheriff may calculate a redemption amount pursuant to section  
17.26 580.23, subdivision 1, and issue a certificate of redemption for that amount. The amount  
17.27 calculated by the sheriff, absent malfeasance by the sheriff, binds the holder of the sheriff's  
17.28 certificate even if the amount calculated by the sheriff is less than the actual amount due.

17.29 Subd. 3. **Penalty for excessive costs.** At any time within one year after the  
17.30 expiration of the mortgagor's redemption period, the redeeming party, heirs, or assigns  
17.31 may recover from the holder of the sheriff's certificate three times the amount of any sums  
17.32 declared as costs or disbursements on the affidavit of allowable costs but not actually paid  
17.33 by the holder, or three times the amount of any sums determined to exceed a reasonable  
17.34 cost for the declared item where the excess has been retained by the lender, unless the  
17.35 disputed amounts are paid to the redeeming party, heirs, or assigns prior to entry of  
17.36 judgment.

18.1 Sec. 22. Minnesota Statutes 2006, section 582.031, is amended to read:

18.2 **582.031 LIMITED RIGHT OF ENTRY.**

18.3 Subdivision 1. **Right of entry.** If premises described in a mortgage or sheriff's  
18.4 certificate are vacant or unoccupied, the holder of the mortgage or sheriff's certificate or the  
18.5 holder's agents and contractors may, but is under no obligation to, enter upon the premises  
18.6 to protect the premises from waste, until the holder of the mortgage or sheriff's certificate  
18.7 receives notice that the premises are occupied. The holder of the mortgage or sheriff's  
18.8 certificate does not become a mortgagee in possession by taking actions authorized under  
18.9 this section. An affidavit of the sheriff, the holder of the mortgage or sheriff's certificate, or  
18.10 a person acting on behalf of the holder, describing the premises and stating that the same  
18.11 are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit and is  
18.12 entitled to be recorded in the office of the county recorder or the registrar of titles in the  
18.13 county where the premises are located, if it contains a legal description of the premises.

18.14 Subd. 2. **Authorized actions.** The holder of the mortgage or sheriff's certificate  
18.15 may take the following actions to protect the premises from waste: or from falling below  
18.16 minimum community standards for public safety and sanitation: make reasonable periodic  
18.17 inspections, install or change locks on doors and windows, board windows, install an  
18.18 alarm system, ~~provide a resident caretaker,~~ and otherwise prevent or minimize damage  
18.19 to the premises from the elements, vandalism, trespass, or other illegal activities. If the  
18.20 holder of the mortgage or sheriff's certificate installs or changes locks under this section, a  
18.21 key to the premises must be promptly delivered to the mortgagor or any person lawfully  
18.22 claiming through the mortgagor, upon request.

18.23 Subd. 3. **Costs.** All costs incurred by the holder of the mortgage to protect the  
18.24 premises from waste or from falling below minimum community standards for public  
18.25 safety and sanitation may be added to the principal balance of the mortgage. The costs  
18.26 may bear interest to the extent provided in the mortgage and may be added to the  
18.27 redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred  
18.28 after a foreclosure sale, the ~~purchaser at the foreclosure sale~~ holder of any sheriff's  
18.29 certificate of sale or certificate of redemption must comply with the provisions of section  
18.30 582.03. The provisions of this section are in addition to, and do not limit or replace, any  
18.31 other rights or remedies available to holders of mortgages and sheriff's certificates, at law  
18.32 or under the applicable mortgage agreements.

18.33 Sec. 23. Laws 2004, chapter 263, section 26, is amended to read:

18.34 Sec. 26. **EFFECTIVE DATE; EXPIRATION.**

- 19.1 Sections 1 to 18, 22, 23, and 25 are effective August 1, 2004, and expire December
- 19.2 ~~31, 2009~~. Sections 19, 20, 21, and 24 are effective July 1, 2004.