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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE No. 2828

February 11, 2010

Authored by Jackson

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

February 18, 2010

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

1.1 A bill for an act
1.2 relating to real property; clarifying requirements for an instrument intended to
1.3 secure debt; amending Minnesota Statutes 2008, section 287.03.

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

1.5 Section 1. Minnesota Statutes 2008, section 287.03, is amended to read:

1.6 287.03 INSTRUMENTS VALID SECURITY FOR DEBT.

1.7 No instrument, other than a decree of marriage dissolution or an instrument made
1.8 pursuant to it, relating to real estate shall be valid may be enforced as security for any
1.9 debt, unless the fact that it is so intended ~~and the initial known amount of the debt are~~
1.10 is expressed in it. Except as provided in section 287.05, an instrument may not be
1.11 enforced as security for a debt amount in excess of: (1) the initial known amount of the
1.12 debt expressed in the instrument if the instrument secures that entire debt amount; or (2)
1.13 the portion of the initial known amount of the debt expressed in the instrument if the
1.14 instrument secures only a portion of that debt amount.

1.15 EFFECTIVE DATE. This section is effective July 1, 2010, and applies to any
1.16 instrument executed or recorded before, on, or after that date.

1.17 Sec. 2. APPLICATION.

1.18 Section 1 shall not affect any action, case, or proceeding commenced before the
1.19 effective date of section 1 in any court in this state, provided a notice of lis pendens of
1.20 the action is recorded with the county recorder or registrar of titles before the effective
1.21 date of section 1.

1.22 EFFECTIVE DATE. This section is effective the day following final enactment.