

CHAPTER 582

MORTGAGES; FORECLOSURE, GENERAL PROVISIONS

582.30 Deficiency judgments by mortgage holder.

582.32 Voluntary foreclosure; procedure.

582.30 DEFICIENCY JUDGMENTS BY MORTGAGE HOLDER.

Subdivision 1. **Deficiency allowed.** (a) Except as provided in this section, a person holding a mortgage may obtain a deficiency judgment against the mortgagor if the amount a person holding a mortgage receives from a foreclosure sale is less than:

- (1) the amount remaining unpaid on the mortgage under chapter 580; or
- (2) the amount of the judgment entered under chapter 581.

(b) Except as provided in subdivisions 3 and 5, the judgment may not be for more than the difference between the amount received from the foreclosure sale less expenses and costs and:

(1) for a foreclosure by advertisement, the total amount that attaches to the sale proceeds under chapter 580; or

(2) for a foreclosure by action, the amount of the judgment entered under chapter 581.

(c) Subdivisions 3 to 9 do not apply to mortgages entered or amended on or after May 22, 1999, if the mortgaged property is used in agricultural production only by a tenant who is not the mortgagor.

[For text of subds 2 to 9, see M.S.1998]

History: 1999 c 184 s 2

582.32 VOLUNTARY FORECLOSURE; PROCEDURE.

[For text of subds 1 to 4a, see M.S.1998]

Subd. 5. **Foreclosure procedure; notice to creditors.** (a) After the date of agreement, the mortgagee may proceed to foreclose the mortgage in accordance with the laws generally applicable to foreclosure by advertisement including this chapter and chapter 580, except as otherwise provided in this section.

(b) At least 14 days before the date of sale, the mortgagee shall:

(1) serve the persons in possession of the real estate with notice of the voluntary foreclosure sale under this section in the same manner as in a foreclosure by advertisement as provided in section 580.03; and

(2) mail notice of the voluntary foreclosure sale under this section to each holder of a junior lien who has filed or recorded a request for notice under section 580.032.

(c) The mortgagee shall publish notice of the voluntary foreclosure sale under this section in the same manner as in a foreclosure by advertisement as provided in section 580.03 for four consecutive weeks. The notice must include all information required under section 580.04, clauses (1) to (6), the date of agreement, and shall state that each holder of a junior lien may redeem in the order and manner provided in subdivision 9, beginning after the expiration of the mortgagor's redemption period under this section.

(d) The mortgagor's redemption period is two months from the date of sale, except that if the real estate is subject to a federal tax lien under which the United States is entitled to a 120-day redemption period under section 7425(d)(1) of the Internal Revenue Code, as amended, the mortgagor's redemption period is 120 days from the date of sale. The certificate of sale must indicate the redemption period applicable under this paragraph.

[For text of subds 6 and 9, see M.S.1998]

History: 1999 c 11 art 4 s 5