

A bill for an act
relating to real estate; streamlining the process of connecting an owner facing
a residential mortgage foreclosure with an authorized foreclosure prevention
agency and with a person authorized to negotiate on behalf of the foreclosing
lender; amending Minnesota Statutes 2008, section 580.021, subdivision 3;
repealing Minnesota Statutes 2008, sections 580.021, subdivision 4; 580.022,
subdivision 2.

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

Section 1. Minnesota Statutes 2008, section 580.021, subdivision 3, is amended to read:

Subd. 3. **Notification to authorized counseling agency.** The party entitled
to foreclose shall, within one week ~~of~~ after sending the notice prescribed in section
580.022, provide ~~to the appropriate authorized foreclosure prevention agency~~ the
following information to the appropriate authorized foreclosure prevention agency in a
nonproprietary database or spreadsheet format, when available in that format. Electronic
transmittal of the database must occur by secure e-mail which is encrypted by the sender
to prevent persons other than the intended recipient from reading its content, unless
the party entitled to foreclose does not have the capability to send via secure e-mail or
in a nonproprietary database or spreadsheet format, in which case it must be sent by
regular mail. The information must include the mortgagor's name, mailing address, and
most recent known daytime and evening telephone number numbers, any known e-mail
address, and the address of the property at risk of foreclosure if different from mortgagor's
mailing address.

In the same communication, the mortgagee shall also provide the name and contact
information of the agent of the mortgagee authorized to discuss and negotiate resolution
of the default. The mortgagee contact information must include the agent's name, mail

and e-mail addresses, and direct phone and fax numbers. The contact information must also include the name, direct phone number, and e-mail address of the loss mitigation department manager or in the absence of a loss mitigation department, an individual authorized to discuss workout options. The agent must be an individual authorized by the mortgagee to:

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

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

Nothing in this subdivision requires a mortgagee to reach a resolution relating to the mortgagor's default. Failure to provide all the data required by this section or to provide the data in database or spreadsheet format, or by secure e-mail or otherwise, does not invalidate the sale; provided the mortgagee makes a good faith effort to provide the data, or makes a bona fide error.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to foreclosures in which the notice required under Minnesota Statutes, section 580.021, subdivision 2, is provided on or after that date.

Sec. 2. **REPEALER.**

Minnesota Statutes 2008, sections 580.021, subdivision 4; and 580.022, subdivision 2, are repealed.

EFFECTIVE DATE. This section is effective August 1, 2010, and applies to foreclosures in which the notice required under Minnesota Statutes, section 580.021, subdivision 2, is provided on or after that date.

580.021 FORECLOSURE PREVENTION COUNSELING.

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

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

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

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

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

580.022 FORMS.

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

"PREFORECLOSURE NOTICE

NOTICE OF PROVISION OF FORECLOSURE PREVENTION COUNSELING AND
REQUEST FOR MORTGAGEE CONTACT INFORMATION

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

To be completed by Counseling Agency

Consumer Name: _____

CONSUMER CONTACT INFORMATION:

Address: _____

City, State, Zip Code: _____

Daytime Phone: _____

Nighttime Phone: _____

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

Address: _____

City, State, Zip Code: _____

COUNSELING AGENCY CONTACT:

Name: _____

Agency: _____

Phone: _____

Fax: _____

E-mail: _____

To be completed by Lender

Contact Name: _____

Address: _____

City, State, Zip Code: _____

Phone: _____

APPENDIX
Repealed Minnesota Statutes: H2615-1

Fax: _____
E-mail: _____"