

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 2549

(SENATE AUTHORS: EATON)

DATE	D-PG	OFFICIAL STATUS
03/23/2012	4921	Introduction and first reading Referred to Commerce and Consumer Protection

1.1A bill for an act

1.2relating to real estate; requiring lender response to short sale requests; specifying

1.3consequences of nonresponse; proposing coding for new law in Minnesota

1.4Statutes, chapter 47.

1.5BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6Section 1. **[47.222] RESPONSE TO SHORT SALE REQUESTS.**

1.7Subdivision 1. **Short sale defined.** For purposes of this section, "short sale" means a

1.8sale by a homeowner of the homeowner's mortgaged home to a buyer for a price that is

1.9less than the amount owed on the mortgage loan.

1.10Subd. 2. **Prompt response by lender.** If a homeowner requests approval of the

1.11lender for a short sale of property on which the lender holds a mortgage, the lender must

1.12respond in writing to the request, either accepting it, denying it, or accepting it subject to

1.13conditions, within 30 days after receiving the request. The response by the lender must

1.14state the reason or reasons for a denial or for an acceptance subject to conditions.

1.15Subd. 3. **Effect of failure to respond by lender.** If the lender fails to respond

1.16in compliance with subdivision 2, the homeowner becomes entitled to a redemption

1.17period of 12 months and the loss of any right the lender might otherwise have to obtain

1.18a deficiency judgment in the event of a future foreclosure of the loan. This subdivision

1.19applies notwithstanding anything to the contrary in section 580.23.