

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 2549**

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

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

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

1.7 Subdivision 1. **Short sale defined.** For purposes of this section, "short sale" means a
1.8 sale by a homeowner of the homeowner's mortgaged home to a buyer for a price that is
1.9 less than the amount owed on the mortgage loan.

1.10 Subd. 2. **Prompt response by lender.** If a homeowner requests approval of the
1.11 lender for a short sale of property on which the lender holds a mortgage, the lender must
1.12 respond in writing to the request, either accepting it, denying it, or accepting it subject to
1.13 conditions, within 30 days after receiving the request. The response by the lender must
1.14 state the reason or reasons for a denial or for an acceptance subject to conditions.

1.15 Subd. 3. Effect of failure to respond by lender. If the lender fails to respond
1.16 in compliance with subdivision 2, the homeowner becomes entitled to a redemption
1.17 period of 12 months and the loss of any right the lender might otherwise have to obtain
1.18 a deficiency judgment in the event of a future foreclosure of the loan. This subdivision
1.19 applies notwithstanding anything to the contrary in section 580.23.