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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 25

01/10/2013 Authored by Mullery

The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to mortgage foreclosures; providing foreclosed homeowners with the
1.3 right to stay in the home for a longer period of time; amending Minnesota
1.4 Statutes 2012, section 580.041, subdivision 2a; proposing coding for new law in
1.5 Minnesota Statutes, chapter 580.

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

1.7 Section 1. Minnesota Statutes 2012, section 580.041, subdivision 2a, is amended to read:

1.8 Subd. 2a. **Content of notice of redemption rights.** The notice of redemption rights
1.9 required by this section must appear substantially as follows:

1.10 **"What Happens After the Foreclosure Sale**

1.11 After the sheriff's sale, you have the right to "redeem." Redeem means that you pay the
1.12 amount bid for your house at the sheriff's sale, plus interest and costs, to keep your house.
1.13 You can keep living in your home for a period of time after the foreclosure sale. This is
1.14 called a "redemption period." The redemption period is [insert number of months] months
1.15 after the sheriff's sale.

1.16 ~~At~~ After the end of the redemption period, if you do not redeem or sell, you will have
1.17 to leave your home. You will have the right to remain in your home until two weeks before
1.18 the buyer of the home moves into the home. If you do not leave, the person or company that
1.19 bid on your home at the sheriff's sale has the right to file an eviction against you in court.

1.20 **Be Careful of Foreclosure Scams**

1.21 Be careful! After the foreclosure sale, people may approach you to buy your house
1.22 or ask you to transfer your house to them for little or no money.

2.1 Before you give up the rights to your house or sign any documents (including a
 2.2 deed), be sure you know how much the house sold for at the sheriff's sale and decide if
 2.3 you can save the house by paying the amount of the bid, plus interest and costs.

2.4 **How to Find Out How Much Your House Sold For at the Foreclosure Sale**

2.5 The amount you need to pay to redeem your house may be less than the amount you
 2.6 owed on the mortgage before the sale. You can learn what this amount is (and who the
 2.7 winning bidder at the sale was) by attending the sheriff's sale or by contacting the sheriff's
 2.8 office after the sale.

2.9 **You Can Also Sell Your House**

2.10 During the redemption period, if you sell your home, you must sell it for enough
 2.11 to pay off the winning bidder from the sheriff's sale and pay interest, fees, and other
 2.12 claims against the property. If there is any money left from the sale of the house after all
 2.13 these debts are paid, you can keep the money. You can also enter into a "short sale." A
 2.14 short sale is an agreement in which the lender agrees to accept less than the full amount
 2.15 you owe on the mortgage.

2.16 **Get More Information and Advice**

2.17 For more information and advice, contact an attorney or a mortgage
 2.18 foreclosure prevention counselor. You can find a mortgage foreclosure
 2.19 prevention counselor by contacting the Minnesota Home Ownership Center
 2.20 at 651-659-9336 or 866-462-6466 or www.hocmn.org or contact the United
 2.21 States Department of Housing and Urban Development at 1-800-569-4287 or
 2.22 www.hud.gov/offices/hsg/sfh/hcc/hes.cfm?webListAction=search=MN#searchArea to get
 2.23 the phone number and location of the nearest certified counseling organization."

2.24 **Sec. 2. [580.061] LIMITED RIGHT TO REMAIN IN HOME AFTER**
 2.25 **REDEMPTION PERIOD.**

2.26 After the end of the redemption period of residential real property, the former owner
 2.27 may retain possession and continue to occupy the property until two weeks prior to the day
 2.28 a new owner moves into the property. For purposes of this section, "new owner" means an
 2.29 individual who, or an entity that, purchased the property from the former owner's lender or
 2.30 from an intermediary owner. "New owner" does not include the former lender.

2.31 **Sec. 3. EFFECTIVE DATE.**

2.32 Sections 1 and 2 are effective for foreclosures commenced on or after August 1, 2013.