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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 26

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; requiring lenders to make certain
1.3 postforeclosure offers to former homeowners; proposing coding for new law in
Minnesota Statutes, chapter 580.

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

1.6 Section 1. **[580.231] OBLIGATION TO OFFER PROPERTY TO FORMER**
1.7 **OWNER AFTER FORECLOSURE.**

1.8 A mortgagee shall, after the expiration of the redemption period after foreclosure
1.9 of a residential mortgage, offer the property for sale to the former owner at a price no
1.10 higher than the price the mortgagee could reasonably expect to obtain in an arms-length
1.11 sale and include in the offer financing for purchase of the property by the former owner at
1.12 the lowest interest rate then available from the lender. The offer must be available for at
1.13 least 60 days. The monthly payment must not exceed the guidelines of the United States
1.14 Department of Housing and Urban Development.

1.15 **EFFECTIVE DATE.** This section is effective August 1, 2013.