

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 2445

(SENATE AUTHORS: LATZ and Gazelka)

DATE	D-PG	OFFICIAL STATUS
03/06/2014	6006	Introduction and first reading Referred to Judiciary
03/10/2014	6084	Withdrawn and re-referred to Commerce
03/12/2014	6121	Comm report: To pass and re-referred to Judiciary
03/19/2014	6322	Comm report: To pass
	6374	Second reading
04/24/2014	8265	HF substituted on General Orders HF2213

1.1

A bill for an act

1.2

relating to mortgage foreclosures; amending the definition of a small servicer;

1.3

clarifying the Foreclosure Curative Act; amending Minnesota Statutes 2013

1.4

Supplement, sections 582.043, subdivision 1; 582.27, subdivision 1.

1.5

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

1.6

Section 1. Minnesota Statutes 2013 Supplement, section 582.043, subdivision 1,

1.7

is amended to read:

1.8

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this

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subdivision have the meanings given them.

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(b) "Foreclosure sale date" means either:

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(1) the date of the foreclosure sale contained in the notice that has been either served

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or published as required under section 580.03, or 550.18 and 550.19; or

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(2) the date to which the foreclosure sale is postponed by the borrower under section

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580.07, subdivision 2,

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whichever is later.

1.16

(c) "Loss mitigation option" means a temporary or permanent loan modification, a

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forbearance agreement, a repayment agreement, a principal reduction, capitalizing arrears,

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or any other relief intended to allow a mortgagor to retain ownership of the property.

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(d) "Mortgagor" means a person who is liable on the promissory note secured by the

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mortgage, except that the mortgagor does not include a person who has surrendered the

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mortgaged property, as evidenced by either a letter or other written notice confirming the

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surrender or by delivery of the keys to the property to the servicer or authorized agent.

1.23

(e) "Servicer" means a residential mortgage servicer as defined in section 58.02,

1.24

subdivision 20.

2.1 (f) "Small servicer" means a servicer that is either:
2.2 (1) a small servicer, as defined in Code of Federal Regulations, title 12, section
2.3 1026.41, paragraph (e), clause (4); ~~or~~
2.4 (2) a Housing Finance Agency, as defined in Code of Federal Regulations, title
2.5 24, section 266.5; or
2.6 ~~Until August 1, 2014, "small servicer" also means~~ (3) a servicer that has conducted
2.7 125 or fewer foreclosure sales during the preceding 12 months.

2.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.9 Sec. 2. Minnesota Statutes 2013 Supplement, section 582.27, subdivision 1, is
2.10 amended to read:

2.11 Subdivision 1. **Section 582.25.** (a) Upon expiration of the periods specified in this
2.12 section, the provisions of section 582.25 apply to a mortgage foreclosure sale subject
2.13 to this section:

2.14 (1) as to all of the provisions of section 582.25, except clauses (2) and (23), one year
2.15 after the last day of the redemption period of the mortgagor, the mortgagor's personal
2.16 representatives or assigns;

2.17 (2) as to clause (2), ten years after the date of the foreclosure sale; and

2.18 (3) as to clause (23), the expiration of the mortgagor's applicable redemption period
2.19 as specified in section 580.23 or 582.032.

2.20 (b) The time limits provided under paragraph (a) apply notwithstanding any
2.21 common law.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.