

CHAPTER 362—H.F.No. 3346

An act relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance; amending Minnesota Statutes 2006, section 462A.209, subdivision 7.

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

Section 1. Minnesota Statutes 2006, section 462A.209, subdivision 7, is amended to read:

Subd. 7. **Assistance to prevent mortgage foreclosures.** (a) Program assistance and counseling to prevent mortgage foreclosures or cancellations of contract for deeds includes general information, screening, assessment, referral services, case management, advocacy, and financial assistance to borrowers who are delinquent on mortgage or contract for deed payments.

(b) Not more than one-half of funds awarded for foreclosure prevention and assistance activities may be used for mortgage or financial counseling services.

(c) Financial assistance consists of payments for delinquent mortgage or contract for deed payments, future mortgage or contract for deed payments for a period of up to six months, property taxes, assessments, utilities, insurance, home improvement repairs, future rent payments for a period of up to six months, and relocation costs if necessary, or other costs necessary to prevent foreclosure.

~~(d) An individual or family may receive a maximum of \$5,500 of financial assistance. The maximum amount of financial assistance an individual or family may receive to prevent a mortgage foreclosure or the cancellation of a contract for deed is 110 percent of the greater of state or applicable metropolitan statistical area median monthly owner cost of owner-occupied housing, as estimated by the United States Census Bureau using data collected in the most recent American Community Survey, multiplied by six.~~

(e) The agency may require the recipient of financial assistance to enter into an agreement with the agency for repayment. The repayment agreement for mortgages or contract for deed buyers must provide that in the event the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence, the recipient shall repay all or a portion of the financial assistance. The agency may take into consideration financial hardship in determining repayment requirements. The repayment agreement may be secured by a lien on the property for the benefit of the agency.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective the day following final enactment.

Presented to the governor May 19, 2008

Signed by the governor May 27, 2008, 12:11 p.m.