

CHAPTER 65.

AN ACT IN RELATION TO CHATTEL MORTGAGES.

Be it enacted by the Legislature of the State of Minnesota :

68-65
42-M. 102

Sale of mort-
gaged chattels,
how made.

65-1
53-NW 1148

SECTION 1. Whenever the mortgagee in a chattel mortgage has a remedy by sale of the mortgaged property, authorized by the terms of the mortgage in case of default, such mortgaged property shall not be sold at private sale, but only upon previous written notice given at least ten days before such sale, by serving a copy of such notice upon the mortgagor, or upon the person in possession of the property claiming the same, if such person can be found within the city, village or town where the mortgage is filed, or if such mortgagor or person cannot be found within such city, village or town, then by posting three copies of such notice as follows: one copy in each of three of the most public places of the city, village or town where the mortgage is filed, or where the property is seized or taken under the mortgage.

Rights of
mortgagee.

SEC. 2. No mortgagee, nor any one claiming under him shall have any right, arbitrary or without just cause, based upon the actual existence of facts, to declare any of the conditions or stipulations of a mortgage broken, prior to the time of default in the payment of such mortgage, or prior to the time when the conditions of such mortgage should be performed.

Validity of
mortgage to
cease, when.

SEC. 3. Every chattel mortgage shall cease to be valid as against the creditors of the person making the same, or subsequent purchasers or mortgagees in good faith, after the expiration of two years from the time of filing the same, or a copy thereof, unless before the expiration of the two years, the mortgagee, his agent or attorney shall make and annex to the instrument or copy on file as aforesaid, an affidavit setting forth the interest which the mortgagee has, by virtue of such mortgage, in the property therein mentioned, upon which affidavit the clerk shall endorse the time when the same was filed.

Continuance
of effect of
affidavit.

SEC. 4. The effect of any such affidavit shall not continue beyond one year from the time when such mortgage would otherwise cease to be valid as against subsequent purchasers in good faith; but before the time when any such mortgage would otherwise cease to be valid as aforesaid, a similar affidavit may be filed and annexed, as provided in the preceding section, and with like effect.

SEC. 5. Chapter fifty (50) of the General Laws of Minnesota for one thousand eight hundred and seventy-five (1875), is hereby repealed.

SEC. 6. This act shall take effect and be in force from and after its passage.

Approved February 26, 1878.