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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2925

03/19/2012 Authored by Hortman, Hausman, Nelson, Johnson, Davnie and others  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to real estate; prohibiting foreclosure if the lender has not acted on a loan  
1.3 modification request; amending Minnesota Statutes 2010, section 580.02.

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

1.5 Section 1. Minnesota Statutes 2010, section 580.02, is amended to read:

1.6 **580.02 REQUISITES FOR FORECLOSURE.**

1.7 To entitle any party to make such foreclosure, it is requisite:

1.8 (1) that some default in a condition of such mortgage has occurred, by which the  
1.9 power to sell has become operative;

1.10 (2) that no action or proceeding has been instituted at law to recover the debt then  
1.11 remaining secured by such mortgage, or any part thereof, or, if the action or proceeding  
1.12 has been instituted, that the same has been discontinued, or that an execution upon the  
1.13 judgment rendered therein has been returned unsatisfied, in whole or in part;

1.14 (3) that the mortgage has been recorded and, if it has been assigned, that all  
1.15 assignments thereof have been recorded; provided, that, if the mortgage is upon registered  
1.16 land, it shall be sufficient if the mortgage and all assignments thereof have been duly  
1.17 registered; ~~and~~

1.18 (4) before the notice of pendency as required under section 580.032 is recorded, the  
1.19 party has complied with section 580.021; and

1.20 (5) that if the mortgagor has requested a loan modification of the mortgage loan on  
1.21 the mortgagor's homestead, the mortgagee has rejected the request by notice in writing  
1.22 to the mortgagor. This requirement does not apply to a mortgagor's request for a loan  
1.23 modification made sooner than 60 days after a previous request by the mortgagor for  
1.24 a loan modification on the same mortgage loan was rejected by the mortgagee. The

2.1 mortgagee cannot begin or continue a foreclosure if a loan modification request has been  
2.2 submitted, is under consideration, is pending, or if there has been a loan modification and  
2.3 the mortgagor is not in default on the modified loan.

2.4 **EFFECTIVE DATE.** This section is effective for foreclosures commenced on or  
2.5 after June 1, 2012.