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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 3015

04/23/2012 Authored by Mullery

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 mortgage foreclosures; providing that future mortgage
1.3 foreclosures by advertisement will not be effective; providing that a deficiency
1.4 judgment will no longer be available on foreclosures of homestead property by
1.5 action or advertisement; amending Minnesota Statutes 2010, sections 580.01;
1.6 582.30, subdivision 1.

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

1.8 Section 1. Minnesota Statutes 2010, section 580.01, is amended to read:

1.9 **580.01 LIMITATION.**

1.10 (a) Subject to the provisions of section 541.03, any mortgage of real estate
1.11 containing a power of sale, upon default being made in any condition thereof, may
1.12 be foreclosed by advertisement.

1.13 (b) Paragraph (a) does not apply to a mortgage foreclosure unless the first published
1.14 notice required under section 580.03 was published prior to April 1, 2012.

1.15 Sec. 2. Minnesota Statutes 2010, section 582.30, subdivision 1, is amended to read:

1.16 Subdivision 1. **Deficiency allowed.** (a) Except as provided in this section, a person
1.17 holding a mortgage may obtain a deficiency judgment against the mortgagor if the amount
1.18 a person holding a mortgage receives from a foreclosure sale is less than:

1.19 (1) the amount remaining unpaid on the mortgage under chapter 580; or

1.20 (2) the amount of the judgment entered under chapter 581.

1.21 (b) Except as provided in subdivisions 3 and 5, the judgment may not be for more
1.22 than the difference between the amount received from the foreclosure sale less expenses
1.23 and costs and:

2.1 (1) for a foreclosure by advertisement, the total amount that attaches to the sale
2.2 proceeds under chapter 580; or

2.3 (2) for a foreclosure by action, the amount of the judgment entered under chapter
2.4 581.

2.5 (c) Subdivisions 3 to 9 do not apply to mortgages entered or amended on or after
2.6 May 22, 1999, if the mortgaged property is used in agricultural production only by a
2.7 tenant who is not the mortgagor.

2.8 (d) For foreclosures by advertisement or by action not completed prior to April 1,
2.9 2012, a deficiency judgment may not be obtained against the mortgagor if the foreclosed
2.10 property is the homestead of the mortgagor.

2.11 Sec. 3. **EFFECTIVE DATE.**

2.12 Sections 1 and 2 are effective April 1, 2012.