ARTICLE 12

MORTGAGE FORECLOSURE

Section 1. Minnesota Statutes 2024, section 272.45, is amended to read:

272.45 TAXES PAID BY TENANT, OCCUPANT, OR OTHER PERSON BECOME LIEN, UPON NOTICE FILED WITH COUNTY RECORDER OR REGISTRAR OF TITLES.

When any past due or delinquent tax on land is paid by any occupant, tenant, or person with ~~an~~ a legal or equitable interest in the land other than a lien, or a person acting on that person's behalf, which, by agreement or otherwise, ought to have been paid by the owner, lessor, or other party in interest, such occupant, tenant, or person may recover by action the amount which such owner, lessor, or party in interest ought to have paid, with interest thereon at the rate of 12 percent per annum, or may retain the same from any rent due or accruing from the person to such owner or lessor for land on which such tax is so paid. A person making a payment under this section may file with the county recorder or registrar of titles of the proper county a ~~notice~~ sworn statement stating the amount and date of such payment, with a copy of the receipt attached, and stating the legal or equitable interest claimed in the land, with a description of the land against which the taxes were charged; and the same shall thereupon be a lien as of the date of recording of the sworn statement upon such land in favor of the person paying the same until the same is paid. The county recorder shall record such ~~notice~~ sworn statement in the indices maintained by the county recorder. The registrar of titles shall record the ~~notice~~ sworn statement on the certificate of title for the land. Upon the payment of any such lien, the person filing such ~~notice~~ sworn statement shall satisfy the same of record.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23,

ARTICLE 7

REAL PROPERTY; FORECLOSURES

Section 1. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 3. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents

or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 2. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents

of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 4. Minnesota Statutes 2024, section 580.10, is amended to read:

580.10 SURPLUS.

Subdivision 1. **Demand for surplus.** In all cases not provided for in section 580.09, and except as required by subdivision 3, if, after sale of any real estate, made as herein prescribed, there remains in the hands of the officer making the sale any surplus money, after satisfying the mortgage, with interest, taxes paid, and costs of sale, the surplus shall be paid over by such officer, on demand, to the mortgagor, the mortgagor's legal representatives or assigns. Any surplus of $100 or greater shall be held by the sheriff for the duration of the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and if requested by the owner, applied toward a redemption as described in subdivision 3. If there is no redemption under section 580.23 or 582.032, a surplus of $100 or greater shall be paid first to junior creditors with liens of record at the time of the sheriff's sale in order of priority, if demanded by a junior creditor within the time allowed for redemption under section 580.23 or 582.032, whichever is applicable, and thereafter to the owner of record at the time of the sheriff's sale, or as provided by court order under section 580.28. A demand by a

of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

party other than the owner shall be accompanied by an affidavit stating the amount remaining unpaid and the interest creating a right to the surplus.

Subd. 2. **Notice of surplus.** When there is a surplus of $100 or greater, the sheriff shall notify the owner by mail sent to the property address, or, if no street address is assigned for the property on the property tax statement, to the taxpayer's address on the property tax statement, that a surplus exists and to call the sheriff's office for more information about the surplus and how to make a claim to the surplus. The notice shall also include contact information for the Minnesota Homeownership Center and a statement to call the Minnesota Homeownership Center for information about redemption and surplus.

Subd. 3. **Request by owner to have surplus applied.** At any time during the owner's redemption period, the owner of record at the time of the sheriff's sale may submit a written request to the sheriff to have the surplus applied to the redemption amount. The right to have the surplus applied to the redemption amount is not transferable to any subsequent owner.

Subd. 4. **Surplus less than $100.** If a surplus remains under $100, the sheriff may pay the surplus amount to the owner of record at the time of the sheriff's sale.

Subd. 5. **Resolution of competing claims.** If there are competing claims or if it appears to the sheriff that any claim is not meritorious, the sheriff may apply to the court in the county in which the sale was made and set forth by petition the facts then known to the sheriff, and the names and addresses of the owner and all known claimants to the surplus, at no cost to the sheriff. The sheriff shall retain the surplus until further order of the court under section 580.28. If a hearing is scheduled, the sheriff may participate in an advisory capacity. The sheriff shall be represented by the county attorney. The sheriff shall give notice of the opening of the court file to the holders of the claims by service of the petition in the manner of a summons under the Rules of Civil Procedure. Failure of an owner to participate in the court action does not waive the right of that owner to the surplus.

Sec. 5. Minnesota Statutes 2024, section 580.225, is amended to read:

580.225 SATISFACTION OF ~~JUDGMENT~~ MORTGAGE.

The amount received from foreclosure sale under this chapter is full satisfaction of the mortgage debt, except as provided in section 582.30.

Sec. 6. Minnesota Statutes 2024, section 580.24, is amended to read:

580.24 REDEMPTION BY CREDITOR.

(a) If no redemption is made by the mortgagor, the mortgagor's personal representatives or assigns, the most senior creditor having a legal or equitable lien upon the mortgaged premises, or some part of it, subsequent to the foreclosed mortgage, may redeem within ~~seven~~ 14 days after the expiration of the redemption period determined under section 580.23 or 582.032, whichever is applicable; and each subsequent creditor having a lien may redeem, in the order of priority of their respective liens, within ~~seven~~ 14 days after the time allowed the prior lienholder by paying the amount required under this section. However, no creditor is entitled to redeem unless, one week or more prior to the expiration of the period allowed for redemption by the mortgagor, the creditor:

(1) records with each county recorder and registrar of titles where the foreclosed mortgage is recorded a notice of the creditor's intention to redeem;

(2) records with each county recorder and registrar of titles where the notice of the creditor's intention to redeem is recorded all documents necessary to create the lien on the mortgaged premises and to evidence the creditor's ownership of the lien, including a copy of any money judgment necessary to create the lien; and

(3) after complying with clauses (1) and (2), delivers to the sheriff who conducted the foreclosure sale or the sheriff's successor in office a copy of each of the documents required to be recorded under clauses (1) and (2), with the office, date and time of filing for record stated on the first page of each document.

The sheriff shall maintain for public inspection all documents delivered to the sheriff and shall note the date of delivery on each document. The sheriff may charge a fee of $100 for the documents delivered to the sheriff relating to each lien. The sheriff shall maintain copies of documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

(b) Saturdays, Sundays, legal holidays, and the first day following the expiration of the prior redemption period must be included in computing the ~~seven-day~~14-day redemption period. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day must be omitted from the computation. The order of redemption by judgment creditors subsequent to the foreclosed mortgage shall be determined by the order in which their judgments were entered as memorials on the certificate of title for the foreclosed premises or docketed in the office of the district court administrator if the property is not registered under chapter 508 or 508A, regardless of the homestead status of the property. All mechanic's lienholders who have coordinate liens shall have one combined ~~seven-day~~ 14-day period to redeem.

(c) The amount required to redeem from the holder of the sheriff's certificate of sale is the amount required under section 580.23. The amount required to redeem from a ~~person~~ creditor holding a certificate of redemption is:

(1) the amount paid to redeem as shown on the certificate of redemption; plus

(2) interest on that amount to the date of redemption at the rates stated on the certificate of sale and the affidavit provided by section 580.25, clause (3), or six percent if no rate is otherwise stated; plus

(3) the amount claimed due on the ~~person's~~ creditor's lien, as shown on the affidavit under section 580.25, clause (3).

(d) If the sheriff determines there is a dispute or question of validity about a redemption, the sheriff may accept the amount required to redeem, together with documents in support of the redemption, from one or more creditors competing for or claiming a right to redeem, without executing and delivering a certificate of redemption, and the sheriff may commence an action under section 580.28 at no cost to the sheriff. A creditor subject to a dispute or question of validity about a redemption may submit the matter for adjudication of the court under section 580.28. If the sheriff does not execute and deliver a certificate of redemption under this section, all further junior creditor redemption periods are stayed until determined by the court, and all junior creditors who have recorded notices of intent to redeem should be included in the action under section 580.28. The amount required to redeem may be paid to the holder of the sheriff's certificate of sale or the certificate of redemption, as the case may be, or to the sheriff for the holder.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 580.25, is amended to read:

580.25 CREDITOR REDEMPTION, HOW MADE.

Redemption shall be made as provided in this section.

The ~~person~~ creditor desiring to redeem shall pay the amount required by law for the redemption, and shall produce to the person or officer receiving the redemption payment:

(1) a copy of the docket of the judgment, or of the recorded deed or mortgage, or of the record or files evidencing any other lien under which the ~~person~~ creditor claims a right to redeem;

(2) a copy of any recorded assignment necessary to evidence the ~~person's~~ creditor's ownership of the lien. If the redemption is under an assignment of a judgment, the assignment shall be filed in the court entering the judgment, as provided by law, and the ~~person~~ creditor so redeeming shall produce a copy of it and of the record of its filing, and the copy of the docket shall show that the proper entry was made upon the docket. No further evidence of the assignment of the judgment is required unless the mortgaged premises or part of it is registered property, in which case the judgment and all assignments of the judgment must be entered as a memorial upon the certificate of title to the mortgaged premises and a copy of the judgment and each assignment with the certificate of record endorsed on it must be produced; and

(3) an affidavit of the ~~person~~ creditor or the ~~person's~~ creditor's agent, ~~showing the amount then actually claimed due on the person's~~ identifying the lien ~~and required to be paid on the lien in order to redeem from the person~~ under which the creditor claims a right to redeem and stating the amount then actually claimed due and owing on the lien and stating the interest rate on the lien. Additional fees and charges may be claimed due only as provided

in section 582.03. The sheriff receiving the affidavit may furnish a copy of the affidavit to any interested party, upon request.

If redemption is made to the sheriff, the sheriff may charge a fee of $250 for issuing the certificate of redemption and any related service. No other fee may be charged by the sheriff for a redemption.

Within 24 hours after a redemption is made, or as soon as reasonably possible, the person redeeming shall cause the documents so required to be produced to be recorded with the county recorder, or registrar of titles, or both when appropriate, who may receive fees as prescribed in section 357.18 or 508.82. If the redemption is made at any place other than the county seat, it is sufficient forthwith to deposit the documents in the nearest post office, addressed to the recorder or registrar of titles, with the postage prepaid within 24 hours after redemption is made or as soon as reasonably possible. A person recording documents produced for redemption shall, on the same day, deliver copies of the documents to the sheriff for public inspection. The sheriff may receive a fee of $20 for the documents delivered following a redemption. The sheriff shall note the date of delivery on the documents and shall maintain for public inspection all documents delivered to the sheriff for a period of six months after the end of the mortgagor's redemption period.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 580.26, is amended to read:

580.26 CERTIFICATE OF REDEMPTION; RECORD.

The person or officer from whom such redemption is made shall make and deliver to the person redeeming a certificate executed and acknowledged in the same manner as a conveyance, containing:

(1) if redeemed under section 580.23 or 582.032, the name of the ~~person~~ mortgagor or the mortgagor's legal representative or assignee redeeming, and if redeemed under section 580.25, the name of the creditor redeeming, and the amount paid ~~by the person on such redemption~~ to redeem;

(2) a description of the sale for which such redemption is made, and of the property redeemed;

(3) a statement of the claim upon which such redemption is made and, if upon a lien, the amount claimed to be due thereon at the date of redemption.

If redemption is made by the owner of the property sold, the owner's heirs, personal representatives, or assigns, such certificate shall be recorded within ~~four days~~ one week after the expiration of the period allowed by law to the owner for redemption and, if made by a creditor holding a lien, the certificate shall be recorded within ~~four days~~ one week after such redemption. Unless so recorded, the certificate shall be void ~~as~~ only against any person in good faith redeeming from the same person or lien.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 580.28, is amended to read:

580.28 ACTION TO SET ASIDE MORTGAGE; FORECLOSURE; REDEMPTION.

When an action is brought wherein it is claimed that any mortgage as to the plaintiff or person for whose benefit the action is brought is fraudulent or void, or has been paid or discharged, in whole or in part, or the relative priority or the validity of liens, redemption rights, or rights to any surplus is disputed, if such mortgage has been foreclosed by advertisement, and the time for redemption from the foreclosure sale will expire before final judgment in such action, the plaintiff or beneficiary having the right to redeem, for the purpose of saving such right in case the action fails, may deposit with the sheriff before the time of redemption expires the amount for which the mortgaged premises were sold, with interest thereon to the time of deposit, together with a ~~bond to the holder of the sheriff's certificate of sale, in an amount and with sureties to be approved by the sheriff, conditioned to pay all interest that may accrue or be allowed on such deposit if the action fail~~ separate deposit with the sheriff of one year's interest on the amount deposited. The person shall, in writing, notify such sheriff that ~~the person claims the mortgage to be fraudulent or void, or to have been paid or discharged, in whole or in part, as the case may be, and that~~ such action is pending, and direct the sheriff to retain such money ~~and bond~~ until final judgment or other order of the court. ~~In case such action fails~~ If so ordered by the court, such deposit shall operate as a redemption of the premises from such foreclosure sale, and entitle the plaintiff to a certificate thereof. Such foreclosure, deposit, ~~bond,~~ and notice shall be brought to the attention of the court by supplemental complaint in the action, and the judgment shall determine the validity of the foreclosure sale, and the rights of the parties to the moneys ~~and bond~~ so deposited, which shall be paid and delivered by the sheriff as directed by such judgment upon delivery to the sheriff of a certified copy thereof. The remedy herein provided shall be in addition to other remedies now existing.

EFFECTIVE DATE. This section is effective for redemptions occurring after January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

Sec. 3. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 11. Minnesota Statutes 2024, section 582.03, subdivision 1, is amended to read:

Subdivision 1. **Allowable costs collectable upon redemption.** The holder of any sheriff's certificate of sale, from a foreclosure by advertisement or action of a mortgage or lien or execution, or the holder of any certificate of redemption as a junior creditor during the period of redemption, may pay and claim the following on redemption: any taxes or assessments on which any penalty would otherwise accrue, and any costs of a hazard insurance policy for the holder's interest in the mortgaged premises incurred for the period of holding the sheriff's certificate, any costs incurred when an order to reduce a mortgagor's redemption period under section 582.032 is entered, including costs and disbursements awarded under section 582.032, subdivision 9, any fees paid to the county recorder, registrar of titles, or sheriff to obtain or record the certificates of sale or redemption or notices of intention to redeem, any reasonable fees paid to licensed real estate brokers for broker price opinions or to licensed appraisers for appraisals, any deed tax paid to file a certificate of redemption, reasonable attorney fees incurred after the foreclosure sale not to exceed one-half of the amount authorized by section 582.01, any costs incurred under section 582.031, and any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed in default or that becomes due during the period of redemption. In all such cases, the costs so paid and claimed due, with interest from the date of payment at the rate stated in the certificate of sale or at six percent if no rate is stated, shall be a part of the sum required to be paid to redeem from such sale. No other costs, fees, interest, or other amount may be added to the amount necessary to redeem.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 582.03, subdivision 2, is amended to read:

Subd. 2. **Affidavit of allowable costs.** Any payments made and claimed due under subdivision 1 shall be proved by the affidavit of the holder of the sheriff's certificate or its agent or attorney, itemizing each of the allowable costs and the date of payment and describing the premises. The affidavit must be filed with the sheriff of the county in which the sale was held at any time prior to expiration of the mortgagor's redemption period. Upon written request by the sheriff, the holder of the sheriff's certificate or certificate of redemption shall provide an affidavit of allowable costs to the sheriff within seven days of the date of the request by the sheriff. If the mortgagor does not redeem within seven days after the affidavit is filed, the holder of the sheriff's certificate may file a supplemental affidavit if additional allowable costs are incurred during the redemption period. If the holder of the sheriff's certificate or certificate of redemption fails to respond to the sheriff's request within seven days, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. If the time allowed to redeem is less than seven days from the expiration of the redemption period, the sheriff shall make a reasonable effort to request the affidavit of allowable costs in writing from the

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

holder of the sheriff's certificate, its agent, or attorney before issuing a certificate of redemption. If the affidavit of allowable costs is not provided more than one business day before the expiration of the redemption period, at any time one business day or less before the expiration of the redemption period, the sheriff may calculate a redemption amount pursuant to section 580.23, subdivision 1, and issue a certificate of redemption for that amount. The amount calculated by the sheriff, absent malfeasance by the sheriff, binds the holder of the sheriff's certificate even if the amount calculated by the sheriff is less than the actual amount due.

EFFECTIVE DATE. This section is effective for affidavits filed with the sheriff after January 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 582.043, subdivision 6, is amended to read:

Subd. 6. **Dual tracking.** (a) If the servicer has received a loss mitigation application and the subject mortgage loan has not already been referred to an attorney for foreclosure, a servicer shall not refer the subject mortgage loan to an attorney for foreclosure while the mortgagor's application is pending, unless:

(1) the servicer determines that the mortgagor is not eligible for any loss mitigation option, the servicer informs the mortgagor of the determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines the loss mitigation offer in writing.

(b) If the servicer receives a loss mitigation application after the subject mortgage loan has been referred to an attorney for foreclosure, but before a foreclosure sale has been scheduled, a servicer shall not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(c) If the servicer receives a loss mitigation application after the foreclosure sale has been scheduled, but before midnight of the seventh business day prior to the foreclosure sale date, the servicer must halt the foreclosure sale and evaluate the application. If required to halt the foreclosure sale and evaluate the application, the servicer may cancel the foreclosure sale or postpone the foreclosure sale under section 580.07, subdivision 1, but must not move for an order of foreclosure, seek a foreclosure judgment, or conduct a foreclosure sale unless 60 days have passed since the occurrence of one of the following, whichever is applicable:

(1) the servicer determines that the mortgagor is not eligible for a loss mitigation option, the servicer informs the mortgagor of this determination in writing, and the applicable appeal period has expired without an appeal or the appeal has been properly denied;

(2) where a written offer is made and a written acceptance is required, the mortgagor fails to accept the loss mitigation offer within the time frame specified in the offer or within 14 days after the date of the offer, whichever is longer; or

(3) the mortgagor declines a loss mitigation offer in writing.

(d) A servicer shall not move for an order of foreclosure or conduct a foreclosure sale under any of the following circumstances:

(1) the mortgagor is in compliance with the terms of a trial or permanent loan modification, or other loss mitigation option; or

(2) a short sale has been approved by all necessary parties and proof of funds or financing has been provided to the servicer.