

CHAPTER 511

CHATTEL MORTGAGES, CONDITIONAL SALES CONTRACTS,
AND SEED LOANS

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CHATTEL MORTGAGES

511.01 MORTGAGES, WHEN VOID. Every mortgage of personal property shall be void, as against the creditors of the mortgagor and subsequent purchasers and encumbrancers of the property in good faith, unless it appears that such mortgage was executed in good faith, and not for the purpose of hindering, delaying, or defrauding any creditor of the mortgagor, and unless, in addition thereto, the giving of such mortgage is accompanied by immediate delivery, and followed by actual and continued change of possession of the mortgaged property, or, in lieu thereof, the mortgage is filed as hereinafter provided.

[R. L. s. 3461] (8345)

511.02 COPY OF MORTGAGE TO MORTGAGOR. Every mortgagee of a chattel mortgage shall, at the time of its delivery, make and deliver to the mortgagor a full, true, and complete copy of such mortgage.

[1925 c. 68 s. 1] (8345-1)

511.03 MORTGAGE TO CONTAIN RECEIPT OF MORTGAGOR. No register of deeds nor city clerk shall receive or file any chattel mortgage which does not contain a receipt of the signer of the mortgage to the effect that a copy of such mortgage has been received by him.

[1925 c. 68 s. 2] (8545-2)

511.04 FILING. Every such mortgage, when executed in the presence of two attesting witnesses and duly acknowledged, may be filed with the clerk or recorder of the town or municipality in which the mortgagor resided at the time of its execution, if a resident of the state, or of that in which the property was then situated, if a non-resident. If such place be in an unorganized town, the filing may be with the register of deeds of the county. Duplicates of such mortgage, or copies thereof certified by any officer with whom it has been properly filed, may be filed in other places wherein any part of such property was situated when the same was made.

[R. L. s. 3462] (8346)

511.05 DUTIES OF RECORDING OFFICER; FEE. Every officer having the custody of town, county, city, or village records shall receive such chattel mortgages, and all other contracts and instruments referred to in this chapter, and immediately number, file, and index the same, and certify on the back of each the exact time of receipt, which certificate shall be prima facie evidence of the facts stated therein.

No such instrument shall be removed from the office where filed until canceled, released, or satisfied. The fee for each instrument shall be ten cents.

[R. L. s. 3463] (8347)

511.06 INDEX; NOTICE; LIEN. Every such officer shall keep in his office an index book, in which he shall enter the number given to every such instrument, the names, in alphabetical order, of the mortgagee and mortgagor or vendor and vendee, the sum secured thereby, the exact time of filing, and of satisfaction when made. Every such instrument so filed shall be notice to all persons of the existence and terms thereof. The lien of any mortgage so filed shall continue until the debt secured thereby is paid or barred by statute; but as against creditors of the mortgagor and purchasers or mortgagees of the property in good faith it shall not continue more than six years from the date of filing, unless the indebtedness is not then due and payable by its terms, in which case it shall so continue for two years after the maturity of the debt and no longer.

[R. L. s. 3464] (8348)

511.07 MORTGAGE OF EXEMPT PROPERTY; SPOUSES MUST JOIN. No mortgage, pledge, or other encumbrance of the following personal property: The family Bible, family pictures, school books or library and musical instruments for the use of the family; all wearing apparel of the debtor and his family; all beds, bedsteads and bedding kept and used by the debtor and his family; all stoves and appendages put up or kept for use of debtor and his family; all cooking utensils; and all other household furniture not herein enumerated not exceeding \$500.00 in value; one sewing machine, given or made by a married man or woman, shall be valid as to such exempt property unless it be by written instrument, jointly executed and acknowledged by husband and wife, if both are living.

[R. L. s. 3465] (8349)

511.08 SATISFACTION; PENALTY. When the conditions of a chattel mortgage have been fully performed, the mortgagee, his representatives or assigns, shall give duplicate satisfactions thereof, one of which he shall deliver to the owner of the mortgaged property, and the other he shall file at his own expense, with the officer having custody of the mortgage. Thereupon such officer shall note the satisfaction in his index and surrender the mortgage. Such satisfactions need not be witnessed or acknowledged. Failure to file such satisfaction within 60 days after condition performed shall subject its holder to treble damages at the suit of any person injured by such neglect.

[R. L. s. 3466] (8350)

511.09 REDEMPTION BEFORE SALE; SUBROGATION. When any condition of such mortgage is broken, the mortgagor, or any person lawfully claiming under him, may redeem the same, at any time before the right of redemption is foreclosed, by paying or tendering to the holder, his authorized agent or attorney, the sum due on the debt secured, or by offering performance of the thing to be done, together with all lawful charges and expenses incurred in the care of the property. Such payment, or tender if kept good, when made by the owner, shall discharge the lien of the mortgage; and when made by a subsequent purchaser, mortgagee, or creditor having a lien it shall subrogate him to all rights of the holder of the mortgage.

[R. L. s. 3467] (8351)

511.10 FORECLOSURE, WHEN AND WHERE MADE. No mortgagee, nor any one claiming under him, shall arbitrarily, or without just and sufficient cause, declare any condition or stipulation of a mortgage broken prior to a default in the performance thereof; but whenever such mortgage authorizes a sale in case of default, upon condition broken, the mortgage may be foreclosed and the property sold, at public sale and in public view, at some convenient place in the county where the same, or some portion thereof, is situated at the time of the commencement of foreclosure proceedings, or in which the mortgage is filed.

[R. L. s. 3468] (8352)

511.11 NOTICE AND SALE. At least ten days before a sale a notice containing (1) the names of the mortgagor and mortgagee, and of the assignee, if any; (2) the date of the mortgage; (3) the nature of the default and the amount then due; (4) a description of the property; (5) the time and place of sale; (6) the name of the party, agent, or attorney foreclosing, and, when an attorney, for whom shall be served upon the person from whose possession the property was taken, and, upon the mortgagor, if he resides or can be found in the county where foreclosure is had, in the manner, provided for service of a district court summons, and ten

days' posted notice shall also be given. At the time and place of sale the person conducting the same shall sell the property, or so much thereof as shall satisfy the debt secured, with costs and expenses, and deliver the remainder, if any, to the owner.

[R. L. s. 3469] (8353)

511.12 REPORT OF SALE; FILING. Within five days after sale the person making the same shall file in the office where the mortgage was filed a verified, or, if he be an officer, a certified report of his proceedings, specifying therein the property sold, and that returned, if any, and the amount received, and an itemized statement of all costs and expenses, the amount applied on the mortgage, and the amount, if any, returned to the owner. When so filed, such report, or a certified copy thereof, shall be prima facie evidence of the facts therein stated.

[R. L. s. 3470] (8354)

511.13 ATTORNEY'S FEE ON FORECLOSURE; ATTORNEY'S AFFIDAVIT. When an attorney's foreclosure fee is provided for in the mortgage, the amount thereof may be deducted and paid only when such attorney, within ten days after sale, shall file in the office where the mortgage was filed his affidavit that he is a regularly admitted attorney of this state, that he foreclosed such mortgage, and has received or is entitled to the fee.

[R. L. s. 3471] (8355)

511.14 REDEMPTION AFTER SALE. At any time within two days after sale any of the parties entitled to redeem before sale may redeem the property sold, or any part thereof which has been sold separately and for a separate price, by paying to the purchaser or his assigns the amount for which the same was sold, with costs and expenses of keeping during the time allowed for redemption. Such purchaser shall deliver the property to the person so redeeming, and execute a release to him, and, if notice of intention to redeem be given at or before the sale, the person selling shall retain possession during such time, unless sooner redeemed.

[R. L. s. 3472] (8356)

511.15 MORTGAGEE MAY PURCHASE, WHEN. The mortgagee, his representatives or assigns, may fairly and in good faith purchase any property sold as aforesaid when the sale is conducted by the sheriff, his deputy, or any constable of the county.

[R. L. s. 3473] (8357)

511.16 MORTGAGOR'S INTEREST SUBJECT TO GARNISHMENT, ATTACHMENT, OR EXECUTION. The interest of the mortgagor or his assigns in such property may be subjected to garnishment, attachment, or execution, and when levied upon the officer may take it into his possession; but he, or the creditor, shall forthwith cause a written demand to be served upon the owner of the mortgage or his agent for a statement of the amount remaining due thereon. Within three days thereafter such owner shall furnish a verified statement of the original amount secured, rate of interest, amount and date of all payments, the balance then due, and all costs and expenses incurred. Such creditor, within 24 hours after receipt of such statement, shall pay to the person entitled thereto the amount then due, and in default thereof his levy shall be released and the property returned; but upon payment of such amount the creditor shall be subrogated to all the rights of the owner of the mortgage, and entitled to the evidence of the indebtedness secured thereby. If the mortgage debt be not then due, and the owner refuse to receive payment, with interest to date, the property may be held under the levy and sold subject to the mortgage lien. In case the creditor desires to contest the validity or amount of the mortgage, he shall deliver to the officer, within said 24 hours, his affidavit, or that of his agent or attorney, that affiant believes such mortgage to be invalid or illegal, or that the amount claimed thereunder is in excess of the sum then due, upon receipt whereof the officer shall retain the property. In any case the officer shall hold it for said 24 hours after receipt of such statement, to allow the creditor to make such affidavit. Nothing herein shall preclude the mortgagee from asserting his rights under the mortgage in any independent proceeding.

[R. L. s. 3474] (8358)

511.17 MORTGAGE OF CROPS. Any provision in a mortgage on crops which by its terms shall mortgage or convey any crop to be grown later than during the season beginning May 1 next following the date thereof shall be void, except when the mortgage is given to secure a part or all of the purchase price or rent of the

land upon which such crop is to be grown, but such provision shall not affect the validity of any other stipulation or provision of the mortgage.

[R. L. s. 3475] (8359)

CONDITIONAL SALES

511.18 CONDITIONAL SALES CONTRACTS. Subdivision 1. **Void as to creditors unless filed.** Every promissory note or contract of sale, conditioned that the title to the property for or on account of which the same was given shall remain in the vendor, shall be void as to creditors of the vendee and subsequent purchasers and mortgagees of such property in good faith, unless the note or contract, or a copy thereof, or if the contract be oral, a memorandum, signed by the purchaser and expressing its terms and conditions, be filed as in the case of a chattel mortgage.

Subdivision 2. **Filing is notice.** Every such note, contract, copy or memorandum so filed shall be notice to all parties interested of the existence and conditions thereof, until the expiration of six years from date of filing thereof.

Subdivision 3. **Six year limitation.** Every note or other evidence of indebtedness or contract, filed pursuant to the provisions of this section, shall be held and considered to be full and sufficient notice to all parties interested of the existence and conditions thereof, but shall cease to be notice as against the creditors of the vendee and subsequent purchasers and mortgagees of the property in good faith after the expiration of six years from the day on which the note or other evidence of indebtedness or contract, or the last instalment of the sum secured thereby, becomes due.

Subdivision 4. **Satisfaction.** When any such contract has been fully performed on the part of the vendee, the vendor, his representatives or assigns, shall give duplicate satisfactions thereof, one of which he shall deliver to the person entitled thereto, and the other he shall file, at his own expense, with the officer having custody of the instrument so satisfied. Thereupon such officer shall deliver up the note, contract, memorandum, or copy to which the satisfaction relates. Such satisfaction need not be witnessed or acknowledged.

[1897 c. 292; R. L. ss. 3476, 3477, 3478; 1905 c. 178] (8360) (8361) (8362) (8363)

511.19 RETAKING OF POSSESSION. Subdivision 1. **Conditional sale contract.** For the purposes of this section a conditional sale contract includes all agreements where possession of personal property under either an agreement where title is reserved until the purchase price is paid or where personal property is rented under an agreement that when the entire rental is paid that title thereto shall be transferred.

Subdivision 2. **Seller to give notice.** When the seller shall have the right to retake possession of the property under a conditional sale contract because of default in payment only, the seller may serve upon the buyer personally or by registered mail directed to the last known address of the buyer, at least ten days prior to the retaking, a written notice of intention to retake the property on account of the buyer's default. The notice shall state the default and the period at the end of which the property will be retaken and the amount which the buyer will be required to pay within that time to avoid such retaking. If the notice is so served and the buyer does not pay the delinquent instalment, or instalments, or at the election of the then owner of the contract, pay the entire balance of the purchase price if the contract so provides, together with the actual costs and expenses of preparing and serving the notice before the day set for retaking, the seller may retake the property and the buyer shall have no right of redemption.

Subdivision 3. **Period to redeem.** If the seller does not give the notice of intention to retake prescribed in subdivision 2 hereof, he shall retain the property for ten days after the retaking, during which period the buyer, upon payment or tender by him of the amount due under the contract at the time of retaking, together with all costs and expenses of the retaking, may redeem the property and become entitled to the possession thereof, and to continue in the performance of the contract as if no default had occurred. If the then owner of the contract so elects and the contract so provides, the buyer may be required to pay the entire balance of the purchase price, together with the costs and expenses of retaking the same. If the buyer pays such entire balance together with the costs and expenses he shall then have possession of and title to the property. If the property is perishable so that retention for ten days, as herein prescribed, would result in its

destruction or substantial injury, the provisions of this section shall not apply and the buyer shall have no right of redemption.

Subdivision 4. **Waiver provisions not valid.** No act or agreement of the buyer before or at the time of the making of the contract, or any agreement or statement by the buyer in such contract, shall constitute a valid waiver of the provisions of this section, but the buyer, by an agreement in writing executed subsequent to his default in payment, may waive the right of redemption hereby given.

Subdivision 5. **Application.** This section shall not apply in any case where the conditional sale contract and the rights of the buyer thereunder shall be foreclosed by action in any court of this state.

[1931 c. 339 ss. 1, 2, 3, 4, 5] (8363-1) (8363-2) (8363-3) (8363-4) (8363-5)

FILINGS

511.20 REGISTER OF DEEDS TO ACCEPT FILINGS; NOTICE; EXCEPTIONS; CONDITIONAL SALES. (1) Any bill of sale, instrument evidencing a lien on, or reserving title to personal property and satisfactions of liens on personal property, shall be filed with the register of deeds in the county in which the personal property is situate.

(2) Chattel mortgages, assignments, releases and satisfactions thereof, and instruments relating to the priority or status of a lien on personal property shall be filed with the register of deeds in the county in which the property is situate except in cities of the first class. Copies of any such instrument certified by any officer with whom it has been filed pursuant to law, may be filed in any other place wherein such property or any part thereof is situated at the date of such instrument or to which it or any part thereof may be thereafter removed.

(3) The filing of any such instrument shall operate as notice thereof to all subsequent purchasers and encumbrancers as to so much of said property as is situate in the counties or city where such instrument, or certified copy of any thereof, is filed.

(4) The provisions of paragraphs (2) and (3) shall not apply to conditional sales contracts.

[1915 c. 364 s. 1; 1917 c. 158 s. 1; 1935 c. 169] (8364)

511.21 FILING; FEES. Every register of deeds shall receive and file any such instrument, which shall be executed, witnessed, and acknowledged according to law, or a true copy thereof and shall immediately number and index the same, and certify on each instrument the exact time of receipt, which certificate shall be prima facie evidence of the facts stated therein. No such instrument shall be removed from the office where filed until canceled, released, or satisfied. The fees for filing such instruments shall be 25 cents for each instrument and 25 cents for a certified copy thereof, when copy is furnished, this amount to be paid to the register of deeds at the time of filing, and such fee shall be retained by the register of deeds, as additional salary and compensation for filing such instruments. The register of deeds shall, upon request, furnish and certify an abstract of all such chattel mortgages, bills of sale, conditional sales contracts, assignments, releases, renewals, affidavits and all other instruments relating to any thereof on file in his office, giving the number of the instrument, date and time of filing, name of grantor, name of grantee, name of instrument, date of instrument, amount, and brief description of the property, upon payment of 25 cents for the first four entries and ten cents for each subsequent entry on each instrument abstracted and 25 cents for his certificate thereon, with a minimum fee of 25 cents.

[1915 c. 364 s. 2; 1935 c. 168 s. 1] (8365)

511.22 INDEX TO BE KEPT. Every register of deeds shall keep in his office an index book in which he shall enter the number given to every such instrument, the names in alphabetical order of the lien debtor and lien creditor and vendee and vendor, and the exact time of filing the instrument. He shall also enter the sum for which a lien is claimed and the satisfaction of the same when made.

[1915 c. 364 s. 3] (8366)

511.23 MUNICIPAL CLERK TO DELIVER DOCUMENTS TO REGISTER OF DEEDS. Each municipal clerk or recorder shall, on the first day of July, 1915, deliver all instruments evidencing liens on or reserving title to personal property, then on file with him, and all records of the same in his custody, to the register of

deeds of his county, and the register of deeds shall thereafter be the custodian of the same, and of the records thereof, and no new filing, indexing, or record thereof need be made by the register of deeds.

[1915 c. 364 s. 4] (8367)

511.24 FEES FOR DELIVERING DOCUMENTS. Each municipal clerk or recorder shall be paid out of the treasury of his county the sum of ten cents per mile in traveling from his place of business to and returning from the county-seat of his county, for delivering these instruments and records to the register of deeds of his county. The register of deeds of each county shall receive these instruments and records as delivered to him by the several municipal clerks and recorders of his county and safely keep and preserve the same in his office, and endorse on each instrument and record book the date of the receipt of the same by him, and thereafter these instruments and records shall be notice to all persons of the existence and terms thereof.

[1915 c. 364 s. 5] (8368)

511.25 COMPENSATION OF REGISTER OF DEEDS. For receiving, keeping and preserving, and endorsing all of said instruments and records transferred to him as aforesaid, there shall be paid to the register of deeds out of the treasury of his county, a fee according to the population of his county as shown by the 1910 national census of the United States of America, which fee shall be as follows:

In counties having a population of 50,000 or less, \$10.00.

In counties having a population exceeding 50,000 and not more than 100,000, a fee of \$25.00.

In counties having a population exceeding 100,000 and not more than 150,000, a fee of \$50.00.

In counties having a population exceeding 150,000 and not more than 200,000, a fee of \$100.00.

In counties having a population exceeding 200,000 and not more than 300,000, a fee of \$125.00.

In counties having a population exceeding 300,000 a fee of \$200.00.

[1915 c. 364 s. 6] (8369)

511.26 APPLICATION. Sections 512.20 to 512.26 shall not apply to cities of the first class, nor to counties wherein the salary of the register of deeds is fixed by special law.

[1915 c. 364 s. 7] (8370)

511.27 REPORT OF SALE; FILING. On and after July 1st, 1913, the certified report of his proceedings required to be made by the person or officer making a sale of mortgaged property as required by section 511.12, shall be filed in the office of the register of deeds where the chattel mortgage is filed or to which it has been transferred, and when so filed, such report, or a duly certified copy thereof, shall be prima facie evidence of the facts therein stated, and on and after July 1st, 1913, no such report shall be filed in the office of any clerk, or recorder of a municipality.

[1913 c. 148 s. 5] (8371)

PLEDGES

511.28 RECORD PROCEEDINGS OF SALE OF PLEDGED PROPERTY. Any party desiring to perpetuate the evidence of any sale made under the terms of any pledge of personal property may, within ten days after such sale, file in the office of the register of deeds of the county in which such sale was had, or if had within a city of the first class, then with the city clerk of such city, a report of the proceedings on such sale, specifying therein the property sold, and that returned, if any, the amount received, the name of the purchaser, an itemized statement of all costs and expenses, the amount applied on the debt secured by the pledge, and the amount, if any, returned to the owner. Such report shall be made by the person conducting the sale and verified or, if he be an officer, certified by him. There may be filed with such report the affidavit or, if he be an officer, the certificate of any person making service of or posting any notice to redeem such pledge or of such sale, and when so filed, the report of sale and of such service or posting, or a certified copy thereof shall be prima facie evidence of the facts therein stated.

[1931 c. 329 s. 1] (8359-1)

511.285 PLEDGEE PERMITTED TO BUY PLEDGE WHERE SOLD AT PUBLIC SALE. When a pledgee of personal property has a remedy to enforce his lien upon such property by sale thereof in case of default, by virtue of the contract creating such lien, any such pledgee, his legal representatives or assigns, may, fairly and in good faith, purchase such property or any part thereof, at any sale so made; provided, that such sale, if such pledgee shall wish to bid thereat, shall be at public auction and upon like notice as is required in case of execution sales of personal property in this state, and shall be conducted by the sheriff, or his deputy, of the county, or by a constable of the town in which such pledged property, or some part thereof, is situated at the time of giving such notice.

[1917 c. 305 s. 1] (8561)

SEED GRAIN LOANS

511.29 SEED GRAIN LOANS; AGREEMENT; CONTRACT. To secure a loan or purchase of seeds, grain, or seed potatoes, the person receiving the same shall execute to the vendor or lender a note or contract containing a statement of the amount and kind of seed, and the terms of the agreement relative thereto. Upon filing the same or a copy thereof, as hereinafter provided, the vendor or lender shall have a lien on the crop grown therefrom.

[R. L. s. 3479; 1923 c. 48 s. 1] (8372)

511.30 SEED GRAIN CONTRACTS TO BE FILED WITH THE REGISTER OF DEEDS; FILING; DURATION OF LIEN. To preserve this lien, the person furnishing seed as aforesaid, within 30 days after the execution of such note or contract, shall file the same, or a copy thereof, with the register of deeds of the county in which the land upon which the crop is to be grown is situated. Thereupon the lien shall continue for the term of one year from the date of filing, upon the crop growing or grown from such seed, to the amount and according to the terms of the agreement, against the owner and all creditors and purchasers. It shall not be affected by any exemption law, and shall take precedence of all other liens and be notice of its existence to all persons.

[R. L. s. 3480; 1915 c. 191 s. 1] (8373)

511.31 LIENOR MAY TAKE POSSESSION. The owner of such note or agreement and lien, at any time after condition broken, may take possession of the crop so grown, or so much thereof as he may be entitled to under the terms of his agreement, including the necessary expense of taking and sale, and such taking shall discharge the lien as to the remainder of the crop.

[R. L. s. 3481] (8374)

511.32 CHATTEL MORTGAGE PROVISION, HOW APPLICABLE. All provisions of this chapter relating to chattel mortgages, not inconsistent with those relating to conditional sales and seed grain contracts, shall be applicable thereto, but neither shall require witnessing or acknowledgment.

[R. L. s. 3482] (8375)