

CHAPTER 559

ADVERSE CLAIMS TO REAL ESTATE

559.209 Mediation notice and conditions for agricultural property.

559.2091 Contract for deed subject to mediation.

559.209 MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.

Subdivision 1. **Requirement.** A person may not begin to terminate a contract for deed under section 559.21 to purchase agricultural property subject to sections 583.20 to 583.32 for a remaining balance on the contract of more than \$5,000 unless: (1) a mediation notice is served on the contract for deed purchaser after a default has occurred under the contract and a copy served on the director and the contract for deed vendor and purchaser have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

“TO:(Name of Contract for Deed Purchaser)....

YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE AGRICULTURAL PROPERTY DESCRIBED AS(Size and Reasonable Location of Property, Not Legal Description)....

AS THE CONTRACT FOR DEED VENDOR,(Contract for Deed Vendor).... INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE CONTRACT FOR DEED VENDOR BEGINS REMEDIES TO ENFORCE THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THE NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM:(Name and Address of Contract for Deed Vendor)....”

History: 1987 c 292 s 7

559.2091 CONTRACT FOR DEED SUBJECT TO MEDIATION.

Subdivision 1. **Lien for rental value; attachment.** (a) A contract for deed vendor who is a natural person with a debt subject to mediation under sections 583.20 to 583.32 and who engages in mediation under sections 583.20 to 583.32 as a result of a purchaser's default on the contract, is considered a person who leases a property for agricultural production under section 514.960. The vendor has a lien for the reasonable

rental value of the property during the mediation period as mutually determined by the vendor and the vendee not to exceed the rental value of the land as determined by the director of the University of Minnesota extension service or by district court. The rental period under this section must not exceed the period in which the vendor's remedies are stayed under sections 583.20 to 583.32.

(b) The lien attaches to crops grown or to be grown by the vendee on the property subject to the contract regardless of the ownership of the crops.

Subd. 2. **Perfection.** Notwithstanding the requirement of section 514.960, subdivision 2, that the lien be filed within 30 days after the crops become growing crops, the lien provided under this subdivision is perfected by the vendor only if filed during mediation or within 30 days after the conclusion of mediation.

Subd. 3. **Crediting of payments.** Payments acquired through a lien created under this subdivision must be applied as a payment on the contract according to the terms of the contract.

Subd. 4. **Mediation exemption.** A lien created under this section and filed under section 514.960 is exempt from sections 583.20 to 583.32.

History: 1987 c 292 s 8