

1 A Bill for an Act

2 Relating to real property; mortgage foreclosures; clarifying the redemption period for foreclosure
3 of reverse mortgages; amending Minnesota Statutes, Section 580.23, Subdivision 2.

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

5 Section 1. Minnesota Statutes 2009, Section 580.23, Subdivision 2, is amended to read:

6 Subd. 2. **12-month redemption period.** Notwithstanding the provisions of subdivision 1
7 hereof, when lands have been sold in conformity with the preceding sections of this chapter, the
8 mortgagor, the mortgagor's personal representatives or assigns, within 12 months after such sale,
9 may redeem such lands in accordance with the provisions of payment of subdivision 1 thereof, if:

10 (1) the mortgage was executed prior to July 1, 1967;

11 (2) the amount claimed to be due and owing as of the date of the notice of foreclosure
12 sale is less than 66-2/3 percent of the original principal amount secured by the mortgage;

13 (3) the mortgage was executed prior to July 1, 1987, and the mortgaged premises, as of
14 the date of the execution of the mortgage, exceeded ten acres in size;

15 (4) the mortgage was executed prior to August 1, 1994, and the mortgaged premises, as
16 of the date of the execution of the mortgage, exceeded ten acres but did not exceed 40 acres in
17 size and was in agricultural use as defined in section 40A.02, subdivision 3;

18 (5) the mortgaged premises, as of the date of the execution of the mortgage, exceeded 40
19 acres in size; ~~or~~

20 (6) the mortgage was executed on or after August 1, 1994, and the mortgaged premises,
21 as of the date of the execution of the mortgage, exceeded ten acres but did not exceed 40 acres in
22 size and was in agricultural use. For purposes of this clause, "in agricultural use" means that at
23 least a portion of the mortgaged premises was classified for ad valorem tax purposes as:

- 1 (i) class 2a agricultural homestead property under section 273.13, subdivision 23;
2 (ii) class 2b rural or agricultural nonhomestead property under section 273.13,
3 subdivision 23;
4 (iii) class 1b agricultural homestead property under section 273.13, subdivision 22; or
5 (iv) exempt wetlands under section 272.02, subdivision 11; or
6 (7) the mortgage qualifies as a reverse mortgage as defined in section 47.58.

7 **Sec. 2. Effective Date.** This act is effective on the date following final enactment, and
8 applies to foreclosures of reverse mortgages in which the notice of foreclosure was published on
9 or after the effective date.