

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 440

(SENATE AUTHORS: JOHNSON and Latz)

DATE	D-PG	OFFICIAL STATUS
01/28/2021	191	Introduction and first reading Referred to Civil Law and Data Practices Policy
02/11/2021	344	Author added Latz
02/15/2021	357a	Comm report: To pass as amended
	385	Second reading
03/08/2021	440	Special Order
	740	Third reading Passed
03/22/2021	1082	Returned from House Presentment date 03/22/2021
03/24/2021	1138	Governor's action Approval 03/23/2021
	1138	Secretary of State Chapter 7 03/23/2021 Effective date 07/01/21

1.1 A bill for an act

1.2 relating to real property; clarifying ownership definitions; requiring the record

1.3 owner to be listed as grantee in tax-forfeited land sales; amending Minnesota

1.4 Statutes 2020, sections 282.301; 325N.01; 325N.02; 325N.03; 325N.04; 325N.06;

1.5 325N.10, subdivisions 2, 3, 4, 5, 7; proposing coding for new law in Minnesota

1.6 Statutes, chapter 282.

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

1.8 Section 1. Minnesota Statutes 2020, section 282.301, is amended to read:

1.9 **282.301 RECEIPTS FOR PAYMENTS; CERTIFICATION BY COUNTY**

1.10 **AUDITOR.**

1.11 When any sale has been made under sections 282.012 and 282.241 to 282.324, the

1.12 purchaser shall receive from the county auditor at the time of repurchase a receipt, in such

1.13 form as may be prescribed by the attorney general. When the purchase price of a parcel of

1.14 land shall be paid in full, the following facts shall be certified by the county auditor to the

1.15 commissioner of revenue of the state of Minnesota: the description of land, ~~the date of sale,~~

1.16 ~~the name of the purchaser or the purchaser's assignee,~~ and the date when the final installment

1.17 of the purchase price was paid. ~~Upon payment in full of the purchase price, the purchaser~~

1.18 ~~or the assignee shall receive a quitclaim deed from the state, to be executed by the~~

1.19 ~~commissioner of revenue. The deed must be sent to the county auditor who shall have it~~

1.20 ~~recorded before it is forwarded to the purchaser. Failure to make any payment herein required~~

1.21 ~~shall constitute default and upon such default and cancellation in accord with section 282.40,~~

1.22 ~~the right, title and interest of the purchaser or the purchaser's heirs, representatives, or assigns~~

1.23 ~~in such parcel shall terminate.~~

2.1 **EFFECTIVE DATE.** This section is effective for purchases made on or after July 1,
2.2 2021.

2.3 Sec. 2. **[282.302] CONVEYANCE OF DEED UPON CERTIFICATION.**

2.4 Subdivision 1. **Conveyance to record owner.** Except as provided in subdivision 2, upon
2.5 receipt of the certification by the county auditor required under section 282.301, the
2.6 commissioner of revenue must issue a quitclaim deed in the name of the state, as grantor,
2.7 to the record owner of the property at the time of the expiration of the redemption period
2.8 established under section 281.23.

2.9 Subd. 2. **Sales to personal representatives, heirs, or devisees.** Notwithstanding
2.10 subdivision 1, the state deed must name the record owner's estate as grantee if a sale
2.11 conducted under section 282.01 is made to a personal representative, heir, or devisee of the
2.12 record owner, and the record owner is either deceased at the time of the expiration of
2.13 redemption period established under section 281.23 or is deceased at the time the certification
2.14 of payment under section 282.301 is made.

2.15 **EFFECTIVE DATE.** This section is effective for purchases made on or after July 1,
2.16 2021.

2.17 Sec. 3. **[282.303] ASSIGNMENT OF INSTALLMENT CONTRACT.**

2.18 If the record owner at the time of the expiration of redemption assigns an installment
2.19 contract used to repurchase, and the assignment was registered or recorded, the state deed
2.20 must name the assignee as the grantee.

2.21 **EFFECTIVE DATE.** This section is effective for purchases made on or after July 1,
2.22 2021.

2.23 Sec. 4. **[282.304] RECORDATION OF DEED; DEFAULT.**

2.24 (a) The quitclaim deed issued under section 282.302 must be sent to the county auditor
2.25 who must have it recorded before it is forwarded to the grantee. Recording of the deed by
2.26 the county auditor is deemed delivery to the grantee.

2.27 (b) Failure to make any payment required by this chapter will constitute default and
2.28 upon such default, the sale will be subject to the cancellation provisions of section 282.40.

2.29 **EFFECTIVE DATE.** This section is effective for purchases made on or after July 1,
2.30 2021.

3.1 Sec. 5. Minnesota Statutes 2020, section 325N.01, is amended to read:

3.2 **325N.01 DEFINITIONS.**

3.3 The definitions in paragraphs (a) to (h) apply to sections 325N.01 to 325N.09.

3.4 (a) ~~"Foreclosure consultant"~~ "Solicitor" means any person who, directly or indirectly,
3.5 makes any solicitation, representation, or offer to any owner to perform for compensation
3.6 or who, for compensation, performs any service which the person in any manner represents
3.7 will in any manner do any of the following:

3.8 (1) stop or postpone ~~the~~ a foreclosure sale, a tax forfeiture sale, or a contract for deed
3.9 termination;

3.10 (2) obtain any forbearance from any beneficiary, local unit of government, association
3.11 of apartment owners, contract for deed seller, or mortgagee regarding:

3.12 (i) taxes;

3.13 (ii) dues owed to an association of apartment owners; or

3.14 (iii) contract for deed, mortgage, or any other payments;

3.15 (3) assist the owner to:

3.16 (i) exercise the right of reinstatement provided in section 580.30 or the right of redemption
3.17 provided in section 580.25;

3.18 (ii) exercise the right of redemption under chapter 281 or the right to repurchase under
3.19 sections 282.241 to 282.324;

3.20 (iii) cure a default that has resulted in a termination notice issued under section 559.21,
3.21 subdivision 2a; or

3.22 (iv) cure a default that resulted in a lien secured by a common interest community or a
3.23 master association;

3.24 (4) obtain any extension of the period within which the owner may reinstate the owner's
3.25 obligation;

3.26 (5) obtain any waiver of an acceleration clause contained in any promissory note or
3.27 contract secured by a mortgage on a residence in foreclosure or contained in the mortgage;

3.28 (6) assist the owner in foreclosure, tax forfeiture, or loan default on a loan, contract for
3.29 deed payments, or dues owed to an association of apartment owners, to obtain a loan or
3.30 advance of funds;

4.1 (7) avoid or ameliorate the impairment of the owner's credit resulting from the recording
4.2 of a notice of default on taxes or any debt secured by the covered residence or the conduct
4.3 of a foreclosure or tax forfeiture sale;

4.4 (8) save the owner's residence from foreclosure, tax forfeiture, or contract for deed
4.5 termination; or

4.6 (9) negotiate or modify the terms or conditions of an existing residential mortgage loan,
4.7 a repayment agreement on taxes owed, a repurchase agreement of tax-forfeited real property,
4.8 or a contract for deed.

4.9 (b) A ~~foreclosure consultant~~ solicitor does not include any of the following:

4.10 (1) a person licensed to practice law in this state when the person renders service in the
4.11 course of the person's practice as an attorney-at-law;

4.12 (2) a person licensed as a debt management services provider under chapter 332A, when
4.13 the person is acting as a debt management services provider as defined in that chapter;

4.14 (3) a person licensed as a real estate broker or salesperson under chapter 82 when the
4.15 person engages in acts whose performance requires licensure under that chapter unless the
4.16 person is engaged in offering services designed to, or purportedly designed to, enable the
4.17 owner to retain possession of the covered residence ~~in foreclosure~~;

4.18 (4) a person licensed as an accountant under chapter 326A when the person is acting in
4.19 any capacity for which the person is licensed under those provisions;

4.20 (5) a person or the person's authorized agent acting under the express authority or written
4.21 approval of the Department of Housing and Urban Development or other department or
4.22 agency of the United States or this state to provide services;

4.23 (6) a person who holds or is owed an obligation secured by a lien on any covered
4.24 residence ~~in foreclosure~~ when the person performs services in connection with this obligation
4.25 or lien if the obligation or lien did not arise as the result of or as part of a proposed ~~foreclosure~~
4.26 property reconveyance;

4.27 (7) any person or entity doing business under any law of this state, or of the United States
4.28 relating to banks, trust companies, savings and loan associations, industrial loan and thrift
4.29 companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is
4.30 a United States Department of Housing and Urban Development approved mortgagee and
4.31 any subsidiary or affiliate of these persons or entities, and any agent or employee of these
4.32 persons or entities while engaged in the business of these persons or entities;

5.1 (8) a person licensed as a residential mortgage originator or servicer pursuant to chapter
5.2 58, when acting under the authority of that license, except that the provisions of sections
5.3 325N.01 to 325N.06, 325N.08, and 325N.09 shall apply to any person operating under a
5.4 mortgage originator license who negotiates or offers to negotiate the terms or conditions of
5.5 an existing residential mortgage loan;

5.6 (9) a nonprofit agency or organization that has tax-exempt status under section 501(c)(3)
5.7 of the Internal Revenue Code that offers counseling or advice to an owner of a home in
5.8 foreclosure or loan default if they do not contract for services with for-profit lenders or
5.9 ~~foreclosure~~ equity purchasers, except that they shall comply with the provisions of section
5.10 325N.04, clause (1);

5.11 (10) a judgment creditor of the owner, to the extent that the judgment creditor's claim
5.12 accrued prior to the personal service of the foreclosure notice required by section 580.03,
5.13 but excluding a person who purchased the claim after such personal service; ~~and~~

5.14 (11) ~~a foreclosure~~ an equity purchaser as defined in section 325N.10; and

5.15 (12) any common interest community association or master association that holds or is
5.16 owed an obligation secured by a lien on any residence in foreclosure and any employee or
5.17 agent of either while performing services within the scope of the employment or agency.

5.18 (c) ~~Foreclosure~~ "Property reconveyance" means a transaction involving:

5.19 (1) the transfer of title to real property by a ~~foreclosed homeowner during a foreclosure~~
5.20 ~~proceeding, either by transfer of interest from the foreclosed homeowner or by creation of~~
5.21 ~~a mortgage or other lien or encumbrance during the foreclosure process~~ an owner, either
5.22 by transfer of interest from the owner or by creation of a mortgage or other lien or
5.23 encumbrance that allows the acquirer to obtain title to the property by redeeming the property
5.24 as a junior lienholder or by other legal process, prior to the expiration of:

5.25 (i) the right of reinstatement provided in section 580.30 or the right of redemption of a
5.26 property provided in section 580.25;

5.27 (ii) the right of redemption under chapter 281 or the right to repurchase under sections
5.28 282.241 to 282.324;

5.29 (iii) the period to cure a default that has resulted in a termination notice issued under
5.30 section 559.21, subdivision 2a; or

5.31 (iv) the period to cure a default that resulted in a lien assessed by a common interest
5.32 community or a master association; and

6.1 (2) the subsequent conveyance, or promise of a subsequent conveyance, of an interest
6.2 back to the ~~foreclosed homeowner~~ owner by the acquirer or a person acting in participation
6.3 with the acquirer that allows the ~~foreclosed homeowner~~ owner to possess either the covered
6.4 residence ~~in foreclosure~~ or any other real property, which interest includes, but is not limited
6.5 to, an interest in a contract for deed, purchase agreement, option to purchase, or lease.

6.6 (d) "Person" means any individual, partnership, corporation, limited liability company,
6.7 association, or other group, however organized.

6.8 (e) "Service" means and includes, but is not limited to, any of the following:

6.9 (1) debt, budget, or financial counseling of any type;

6.10 (2) receiving money for the purpose of distributing it to creditors, vendors, or association
6.11 of apartment owners in payment or partial payment of any obligation secured by ~~a lien on~~
6.12 a covered residence in foreclosure;

6.13 (3) contacting creditors, vendors, association of apartment owners, or servicers to
6.14 negotiate or offer to negotiate the terms or conditions of an existing residential mortgage
6.15 loan, a tax forfeiture redemption or repurchase agreement, or a contract for deed;

6.16 (4) arranging or attempting to arrange for an extension of the period within which the
6.17 owner of a covered residence in foreclosure may:

6.18 (i) cure the owner's default and reinstate the owner's obligation pursuant to section
6.19 580.30;

6.20 (ii) cure the owner's property tax default and redeem the property;

6.21 (iii) cure the owner's default on dues owed to an association of apartment owners and
6.22 release the common interest community or master association's lien; or

6.23 (iv) cure the default on a contract for deed and void the purchaser's ability to terminate
6.24 the contract;

6.25 (5) arranging or attempting to arrange for any delay or postponement of the time of sale
6.26 of the covered residence in foreclosure;

6.27 (6) advising the filing of any document or assisting in any manner in the preparation of
6.28 any document for filing with any bankruptcy court; or

6.29 (7) giving any advice, explanation, or instruction to an owner of a covered residence in
6.30 foreclosure, which in any manner relates to the cure of a default in or the reinstatement of
6.31 an obligation secured by a lien on the covered residence in foreclosure, the full satisfaction

7.1 of that obligation, or the postponement or avoidance of a sale of a covered residence ~~in~~
7.2 ~~foreclosure~~, pursuant to a power of sale contained in any mortgage.

7.3 (f) ~~"Residence in foreclosure"~~ "Covered residence" means residential real property
7.4 ~~consisting of one to four family dwelling units, one of which the owner occupies as the~~
7.5 ~~owner's principal place of residence, or real property that is principally used for farming,~~
7.6 ~~as defined in section 500.24, subdivision 2, whether or not parcels are contiguous, so long~~
7.7 ~~as the owner occupies one of the parcels as the owner's principal place of residence, where~~
7.8 ~~there is a delinquency or default on any loan payment or debt secured by or attached to the~~
7.9 ~~residential real property including, but not limited to, contract for deed payments where~~
7.10 ~~there is a delinquency or default on any loan, tax, or contract for deed payment, association~~
7.11 ~~of apartment owner or master association dues, or other debt secured by or attached to the~~
7.12 ~~residential real property that:~~

7.13 (i) consists of one to four family dwelling units, one of which the owner occupies as the
7.14 owner's principal place of residence;

7.15 (ii) is an apartment, as that term is defined in section 515.02, subdivision 2;

7.16 (iii) is the subject of a contract for deed; or

7.17 (iv) is real property that is principally used for farming, as defined in section 500.24,
7.18 subdivision 2, whether or not parcels are contiguous, so long as the owner occupies one of
7.19 the parcels as the owner's principal place of residence.

7.20 (g) "Owner" means the record owner of ~~the residential real property in foreclosure~~ a
7.21 covered residence. For the purposes of this chapter, if the residence in foreclosure is subject
7.22 to a mortgage foreclosure, an owner is the record owner at the time the notice of pendency
7.23 was recorded, or the summons and complaint served.

7.24 (h) "Contract" means any agreement, or any term in any agreement, between a ~~foreclosure~~
7.25 ~~consultant~~ solicitor and an owner for the rendition of any service as defined in paragraph
7.26 (e).

7.27 (i) "Association of apartment owners" has the meaning given in section 515.02,
7.28 subdivision 5.

7.29 (j) "Common interest community" has the meaning given in section 515B.1-103, clause
7.30 (10).

7.31 (k) "Master association" has the meaning given in section 515B.1-103, clause (21).

7.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.1 Sec. 6. Minnesota Statutes 2020, section 325N.02, is amended to read:

8.2 **325N.02 RESCISSION OF ~~FORECLOSURE CONSULTANT~~ SOLICITOR**
8.3 **CONTRACT.**

8.4 (a) In addition to any other right under law to rescind a contract, an owner has the right
8.5 to cancel ~~such a~~ solicitor contract until midnight of the third business day after the day on
8.6 which the owner signs a contract which complies with section 325N.03.

8.7 (b) Cancellation occurs when the owner gives written notice of cancellation to the
8.8 ~~foreclosure consultant~~ solicitor at the address specified in the contract.

8.9 (c) Notice of cancellation, if given by mail, is effective when deposited in the mail
8.10 properly addressed with postage prepaid.

8.11 (d) Notice of cancellation given by the owner need not take the particular form as
8.12 provided with the contract and, however expressed, is effective if it indicates the intention
8.13 of the owner not to be bound by the contract.

8.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.15 Sec. 7. Minnesota Statutes 2020, section 325N.03, is amended to read:

8.16 **325N.03 CONTRACT.**

8.17 (a) Every contract must be in writing and must fully disclose the exact nature of the
8.18 ~~foreclosure consultant's~~ solicitor's services and the total amount and terms of compensation.

8.19 (b) The following notice, printed in at least 14-point boldface type and completed with
8.20 the name of the ~~foreclosure consultant~~ solicitor, must be printed immediately above the
8.21 statement required by paragraph (c):

8.22 "NOTICE REQUIRED BY MINNESOTA LAW
8.23 (Name) or anyone working for him or
8.24 her CANNOT:
8.25 (1) Take any money from you or ask you for money
8.26 until (Name) has completely finished
8.27 doing everything he or she said he or she would do; and
8.28 (2) Ask you to sign or have you sign any lien, mortgage,
8.29 or deed."

8.30 (c) The contract must be written in the same language as principally used by the
8.31 ~~foreclosure consultant~~ solicitor to describe his or her services or to negotiate the contract,
8.32 must be dated and signed by the owner, and must contain in immediate proximity to the

9.1 space reserved for the owner's signature a conspicuous statement in a size equal to at least
9.2 10-point boldface type, as follows:

9.3 "You, the owner, may cancel this transaction at any time prior to midnight of the third
9.4 business day after the date of this transaction. See the attached notice of cancellation
9.5 form for an explanation of this right."

9.6 (d) The notice of cancellation must contain, and the contract must contain on the first
9.7 page, in a type size no smaller than that generally used in the body of the document, each
9.8 of the following:

9.9 (1) the name and physical address of the ~~foreclosure consultant~~ solicitor to which the
9.10 notice of cancellation is to be mailed or otherwise delivered. A post office box does not
9.11 constitute a physical address. A post office box may be designated for delivery by mail only
9.12 if it is accompanied by a physical address at which the notice could be delivered by a method
9.13 other than mail. An e-mail address may be included, in addition to the physical address;
9.14 and

9.15 (2) the date the owner signed the contract.

9.16 (e) Cancellation occurs when the ~~foreclosed homeowner~~ owner delivers, by any means,
9.17 written notice of cancellation to the address specified in the contract. If cancellation is
9.18 mailed, delivery is effective upon mailing. If e-mailed, cancellation is effective upon
9.19 transmission. The contract must be accompanied by a completed form in duplicate, captioned
9.20 "notice of cancellation," which must be attached to the contract, must be easily detachable,
9.21 and must contain in at least 10-point type the following statement written in the same
9.22 language as used in the contract:

9.23 "NOTICE OF CANCELLATION

9.24

9.25 (Enter date of transaction) (Date)

9.26 You may cancel this transaction, without any penalty
9.27 or obligation, within three business days from the above
9.28 date.

9.29 To cancel this transaction, you may use any of the
9.30 following methods: (1) mail or otherwise deliver a
9.31 signed and dated copy of this cancellation notice, or any
9.32 other written notice of cancellation; or (2) e-mail a notice
9.33 of cancellation

9.34 to

9.35 (Name of ~~foreclosure consultant~~ solicitor)

9.36 at

10.1 (Physical address of ~~foreclosure consultant's~~ solicitor's
10.2 place of business)

10.3

10.4 (E-mail address of ~~foreclosure consultant's~~ solicitor's
10.5 place of business)

10.6 NOT LATER THAN MIDNIGHT OF

10.7 (Date)

10.8 I hereby cancel this transaction

10.9 (Date)

10.10

10.11 (Owner's signature)"

10.12 (f) The ~~foreclosure consultant~~ solicitor shall provide the owner with a copy of the contract
10.13 and the attached notice of cancellation immediately upon execution of the contract.

10.14 (g) The three business days during which the owner may cancel the contract shall not
10.15 begin to run until the ~~foreclosure consultant~~ solicitor has complied with this section.

10.16 **EFFECTIVE DATE.** This section is effective the day following final enactment for
10.17 all contracts entered into on or after that date.

10.18 Sec. 8. Minnesota Statutes 2020, section 325N.04, is amended to read:

10.19 **325N.04 VIOLATIONS.**

10.20 It is a violation for a ~~foreclosure consultant~~ solicitor to:

10.21 (1) claim, demand, charge, collect, or receive any compensation until after the ~~foreclosure~~
10.22 ~~consultant~~ solicitor has fully performed each and every service the ~~foreclosure consultant~~
10.23 solicitor contracted to perform or represented he or she would perform;

10.24 (2) claim, demand, charge, collect, or receive any fee, interest, or any other compensation
10.25 for any reason which exceeds eight percent per annum of the amount of any loan which the
10.26 ~~foreclosure consultant~~ solicitor may make to the owner. Such a loan must not, as provided
10.27 in clause (3), be secured by the covered residence ~~in foreclosure~~ or any other real or personal
10.28 property;

10.29 (3) take any wage assignment, any lien of any type on real or personal property, or other
10.30 security to secure the payment of compensation. Any such security is void and unenforceable;

10.31 (4) receive any consideration from any third party in connection with services rendered
10.32 to an owner unless the consideration is first fully disclosed to the owner;

11.1 (5) acquire any interest, directly or indirectly, or by means of a subsidiary or affiliate in
11.2 a covered residence ~~in foreclosure~~ from an owner with whom the ~~foreclosure consultant~~
11.3 solicitor has contracted;

11.4 (6) take any power of attorney from an owner for any purpose, except to inspect
11.5 documents as provided by law; or

11.6 (7) induce or attempt to induce any owner to enter a contract which does not comply in
11.7 all respects with sections 325N.02 and 325N.03.

11.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

11.9 Sec. 9. Minnesota Statutes 2020, section 325N.06, is amended to read:

11.10 **325N.06 REMEDIES.**

11.11 (a) A violation of sections 325N.01 to 325N.09 is considered to be a violation of section
11.12 325F.69, and all remedies of section 8.31 are available for such an action. A private cause
11.13 of action under section 8.31 by a foreclosed homeowner is in the public interest. An owner
11.14 may bring an action against a ~~foreclosure consultant~~ solicitor for any violation of sections
11.15 325N.01 to 325N.09. Judgment must be entered for actual damages, reasonable attorney
11.16 fees and costs, and appropriate equitable relief.

11.17 (b) The rights and remedies provided in paragraph (a) are cumulative to, and not a
11.18 limitation of, any other rights and remedies provided by law. Any action brought pursuant
11.19 to this section must be commenced within ~~four~~ six years from the date of the alleged
11.20 violation.

11.21 (c) The court may award exemplary damages up to 1-1/2 times the compensation charged
11.22 by the ~~foreclosure consultant~~ solicitor if the court finds that the ~~foreclosure consultant~~
11.23 solicitor violated the provisions of section 325N.04, clause (1), (2), or (4), and the ~~foreclosure~~
11.24 ~~consultant's~~ solicitor's conduct was in bad faith.

11.25 (d) Notwithstanding any other provision of this section, no action may be brought on
11.26 the basis of a violation of sections 325N.01 to 325N.09, except by an owner against whom
11.27 the violation was committed or by the attorney general. This limitation does not apply to
11.28 administrative action by the commissioner of commerce.

11.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.1 Sec. 10. Minnesota Statutes 2020, section 325N.10, subdivision 2, is amended to read:

12.2 Subd. 2. ~~Foreclosed homeowner~~ Owner. ~~"Foreclosed homeowner" means an owner~~
 12.3 ~~of residential real property, including a condominium, or an owner of real property that is~~
 12.4 ~~principally used for farming as defined in section 500.24, subdivision 2, that is the primary~~
 12.5 ~~residence of the owner and whose mortgage on the real property is or was in foreclosure~~
 12.6 "Owner" has the meaning given in section 325N.01, paragraph (g).

12.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.8 Sec. 11. Minnesota Statutes 2020, section 325N.10, subdivision 3, is amended to read:

12.9 Subd. 3. ~~Foreclosure~~ Property reconveyance. ~~"Foreclosure~~ "Property reconveyance"
 12.10 ~~means a transaction involving:~~

12.11 ~~(1) the transfer of title to real property by a foreclosed homeowner during a foreclosure~~
 12.12 ~~proceeding, either by transfer of interest from the foreclosed homeowner or by creation of~~
 12.13 ~~a mortgage or other lien or encumbrance during the foreclosure process that allows the~~
 12.14 ~~acquirer to obtain title to the property by redeeming the property as a junior lienholder; and~~

12.15 ~~(2) the subsequent conveyance, or promise of a subsequent conveyance, of an interest~~
 12.16 ~~back to the foreclosed homeowner by the acquirer or a person acting in participation with~~
 12.17 ~~the acquirer that allows the foreclosed homeowner to possess either the residence in~~
 12.18 ~~foreclosure or other real property, which interest includes, but is not limited to, an interest~~
 12.19 ~~in a contract for deed, purchase agreement, option to purchase, or lease~~ has the meaning
 12.20 given in section 325N.01, paragraph (c).

12.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

12.22 Sec. 12. Minnesota Statutes 2020, section 325N.10, subdivision 4, is amended to read:

12.23 Subd. 4. ~~Foreclosure~~ Equity purchaser. ~~"Foreclosure~~ "Equity purchaser" means a
 12.24 person that has acted as the acquirer in a ~~foreclosure~~ property reconveyance. ~~Foreclosure~~
 12.25 Equity purchaser also includes a person that has acted in joint venture or joint enterprise
 12.26 with one or more acquirers in a ~~foreclosure~~ property reconveyance. ~~A foreclosure~~ An equity
 12.27 purchaser does not include: (i) a natural person who shows that the natural person is not in
 12.28 the business of ~~foreclosure~~ equity purchasing and has a prior personal relationship with the
 12.29 ~~foreclosed homeowner~~ of the covered residence, unless a showing of fraud under section
 12.30 325F.69, subdivision 1, has been made, or (ii) a federal or state chartered bank, savings
 12.31 bank, thrift, or credit union.

12.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.1 Sec. 13. Minnesota Statutes 2020, section 325N.10, subdivision 5, is amended to read:

13.2 Subd. 5. **Resale.** "Resale" means a bona fide market sale of the property subject to the
13.3 ~~foreclosure property~~ reconveyance by the ~~foreclosure equity~~ purchaser to an unaffiliated
13.4 third party.

13.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.6 Sec. 14. Minnesota Statutes 2020, section 325N.10, subdivision 7, is amended to read:

13.7 Subd. 7. **Covered residence in foreclosure.** ~~"Residence in foreclosure" means residential~~
13.8 ~~real property consisting of one to four family dwelling units, one of which the owner occupies~~
13.9 ~~as the owner's principal place of residence, or real property that is principally used for~~
13.10 ~~farming, as defined in section 500.24, subdivision 2, whether or not parcels are contiguous,~~
13.11 ~~so long as the owner occupies one of the parcels as the owner's principal place of residence,~~
13.12 ~~where there is a delinquency or default on any loan payment or debt secured by or attached~~
13.13 ~~to the real property, including, but not limited to, contract for deed payments~~ **"Covered**
13.14 **residence"** has the meaning given in section 325N.01, paragraph (f).

13.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.