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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 22

01/10/2013 Authored by Mullery

The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act  
1.2 relating to real estate; foreclosure forbearance for unemployed long-term  
1.3 homeowners; proposing coding for new law in Minnesota Statutes, chapter 580.

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

1.5 Section 1. [580.0211] FORECLOSURE FORBEARANCE FOR FINANCIAL  
1.6 HARDSHIP OF UNEMPLOYED LONG-TERM HOMEOWNERS.

1.7 (a) Upon request and proof of eligibility provided by the mortgagor, a mortgagee  
1.8 shall defer commencement or continuation of a mortgage foreclosure for at least 12  
1.9 months for mortgagors: (1) who have lived in their current home that is subject to the  
1.10 mortgage for at least ten years; and (2) at least one of whom is unemployed and eligible  
1.11 for unemployment compensation or whose eligibility for it has expired.

1.12 (b) Mortgagors who qualify under paragraph (a) and have lived in their current home  
1.13 that is subject to the mortgage for at least 20 years may request, and the mortgagee must  
1.14 provide, a deferral of commencement or continuation of foreclosure of at least 24 months.

1.15 (c) A mortgagor may request and receive a deferral under paragraph (a) or (b) at  
1.16 any time before or during a foreclosure.

1.17 (d) Interest may continue to accrue on the loan, unless otherwise agreed between  
1.18 the parties.

1.19 (e) The mortgagee may at any time during the deferral period request the district  
1.20 court in the county in which the property is located to determine whether the mortgagor  
1.21 has income sufficient to make partial monthly payments on the mortgage loan, not  
1.22 to exceed 30 percent of the mortgagor's income, and the court may then condition  
1.23 continuation of the deferral upon reasonable compliance with the payment obligation. The  
1.24 mortgagee may make no more than one such request within any 12-month period.

2.1 (f) The mortgagee must notify in writing, as part of the notice of default, any  
2.2 potentially eligible mortgagor of the mortgagor's rights under this section.

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