

CHAPTER 47

FINANCIAL CORPORATIONS

47.209 Manufactured home financing;
property tax escrow requirement.

47.58 Reverse mortgage loans.

47.209 MANUFACTURED HOME FINANCING; PROPERTY TAX ESCROW REQUIREMENT.

Any agreement entered into after December 31, 1991, for the financing or refinancing of a purchase of a manufactured home shall require that the lender maintain an escrow account for deposit of payments for property taxes payable on the manufactured home, and that the borrower make the required payments. As used in this section, "lender" includes a state bank and trust company, national banking association, state or federally chartered savings and loan association, mortgage bank, mutual savings bank, insurance company, credit union, or a dealer as defined in section 327B.01, subdivision 7, who enters into an agreement for financing or refinancing a purchase of a manufactured home.

History: 1991 c 291 art 15 s 1

47.58 REVERSE MORTGAGE LOANS.

[For text of subs 1 to 5, see M.S.1990]

Subd. 6. Taxes; insurance. The borrower shall pay real estate taxes, assessments and insurance premiums on the property securing the loan, and the lender may require the borrower to provide evidence of payment. Mortgage registry tax required under sections 287.01 to 287.12 must be paid at the time of the recording or registering of the original reverse mortgage. If the borrower does not make timely payment the lender may pay taxes, assessments, insurance premiums and other similar charges for the protection of the property securing its loan and may add these payments to the outstanding loan balance if not repaid by the borrower within 60 days after the borrower receives notice that the lender has made the payment.

[For text of subd 7, see M.S.1990]

Subd. 8. Counseling; requirement; penalty. A lender, mortgage banking company, or other mortgage lender not related to the mortgagor must keep a certificate on file documenting that the borrower, prior to entering into the reverse mortgage loan, received counseling as defined in this subdivision from an organization that meets the requirements of section 462A.28, subdivision 1, and is a housing counseling agency approved by the Department of Housing and Urban Development. The certificate must be signed by the mortgagor and the counselor and include the date of the counseling, the name, address, and telephone number of both the mortgagor and the organization providing counseling. A failure by the lender to comply with this subdivision results in a \$1,000 civil penalty payable to the mortgagor. For the purposes of this subdivision, "counseling" means the following services are provided to the borrower:

- (1) a review of the advantages and disadvantages of reverse mortgage programs;
- (2) an explanation of how the reverse mortgage affects the borrower's estate and public benefits;
- (3) an explanation of the lending process;
- (4) a discussion of the borrower's supplemental income needs; and
- (5) an opportunity to ask questions of the counselor.

History: 1991 c 201 s 1; 1991 c 291 art 20 s 1