

CHAPTER 507

RECORDING AND FILING CONVEYANCES

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507.01 CONVEYANCE AND PURCHASER.

The word "purchaser," as used in this chapter, embraces every person to whom any estate or interest in real estate is conveyed for a valuable consideration and every assignee of a mortgage, lease, or other conditional estate. The word "conveyance," as so used, includes every instrument in writing whereby any interest in real estate is created, aliened, mortgaged, or assigned or by which the title thereto may be affected in law or in equity, except wills, leases for a term not exceeding three years, and powers of attorney.

History: (8195) *RL s 3334*

507.02 CONVEYANCES BY SPOUSES; POWERS OF ATTORNEY.

If the owner is married, no conveyance of the homestead, except a mortgage for purchase money unpaid thereon, a conveyance between spouses pursuant to section 500.19, subdivision 4, or a severance of a joint tenancy pursuant to section 500.19, subdivision 5, shall be valid without the signatures of both spouses. A spouse's signature may be made by the spouse's duly appointed attorney-in-fact.

A husband and wife, by their joint deed, may convey the real estate of either. A spouse, by separate deed, may convey any real estate owned by that spouse, except the homestead, subject to the rights of the other spouse therein; and either spouse may, by separate conveyance, relinquish all rights in the real estate so conveyed by the other spouse. Subject to the

foregoing provisions, either spouse may separately appoint an attorney-in-fact to sell or convey any real estate owned by that spouse, or join in any conveyance made by or for the other spouse. Use of a power of attorney is subject to section 518.58, subdivision 1a. A minor spouse has legal capacity to join in a conveyance of real estate owned by the other spouse, so long as the minor spouse is not incapacitated because of some reason other than that spouse's minor age.

History: (8196, 8340) *RL s 3335,3456; 1907 c 123 s 1; 1967 c 508 s 2; 1979 c 123 s 5; 1986 c 444; 1995 c 130 s 5*

507.021 CONVEYANCES RECORDED 15 YEARS VALIDATED.

When a deed, assignment, or other instrument affecting the title to real estate shall have been filed or recorded in the office of the county recorder of any county, or in any public office authorized to receive such instrument for filing or recording, and shall have continued on record for 15 years and such instrument does not affirmatively show whether the grantor or assignor or person who executed the instrument was married such filing or recording and continuance thereof for such 15-year period shall be prima facie evidence that such grantor or assignor or person who executed the instrument was an unmarried person at the time of the making and delivery of such instrument, unless prior to January 1, 1924, any person claiming any estate in the land affected by such instrument, by, through or under such person or the person's spouse, heirs or devisees, shall commence an action to recover such estate and shall file a notice of lis pendens at the time of the commencement of the action in the office of the county recorder in the county where such land is situated.

History: (8197) *1923 c 208 s 1; 1976 c 181 s 2; 1986 c 444*

507.03 PURCHASE-MONEY MORTGAGE; NONJOINER OF SPOUSE.

When a married individual purchases real property during marriage and mortgages the real property to secure the payment of the purchase price or any portion of it, the other spouse shall not be entitled to any inchoate, contingent, or marital property right or interest in the real property as against the mortgagee or those claiming under the mortgagee even though the other spouse did not join in the mortgage. A statement in the mortgage to the effect that the mortgage is a purchase money mortgage constitutes prima facie evidence of that fact.

History: (8198) *1909 c 29 s 1; 1909 c 465 s 1; 1986 c 444; 1992 c 463 s 1*

507.04 CONVEYANCE BY SPOUSE OF INSANE OR INCOMPETENT PERSON.

Subdivision 1. With guardian's approval. The spouse of any person who is adjudged by a court of competent jurisdiction to be insane or incompetent to transact business or manage that person's estate, and for whose person or estate, or both, a guardian is appointed by a district court of this state, may, with the guardian's approval, by separate deed convey any real estate, the title to which is in such spouse, as fully as the spouse could do if unmarried. A duly certified copy of the letters of guardianship of the guardian shall be recorded in the office of the county recorder of the county in which the real estate is situated. The approval of the conveyance by the guardian shall be in writing, after being first authorized to do so by an order of the district court, and shall be endorsed on the instrument of the conveyance. Without the approval of the guardian, a conveyance by the competent spouse does not affect the rights of the insane or incompetent spouse.

Subd. 2. Disability for three years. Where no guardian has been appointed of the person or estate of such insane or incompetent spouse and such insanity or incompetency has existed or may exist for three years subsequent to the adjudication of the insanity or incompetency of the insane or incompetent spouse, the spouse of the insane or incompetent person may convey any real estate, the title to which is in the spouse, as fully as the spouse could do if unmarried.

Subd. 3. Homestead. This section does not authorize the conveyance of a homestead unless the guardian of the person or estate of the insane or incompetent person appointed by the district court of the proper county consents in writing to the conveyance by endorsement thereon after being first authorized so to do by order of the district court.

Subd. 4. **Nonresident with disability.** The provisions of subdivisions 2 and 3 do not apply to a nonresident insane or incompetent person.

Subd. 5. **Inchoate interest in spouse's share.** In all cases where the district court has directed a sale of the interest of an insane or incompetent person in real estate, the sale includes the inchoate interest of the person in any share or part of the real estate owned by such person's spouse whether or not specifically mentioned in the proceedings or conveyance, when the interest of the spouse is also conveyed to the same grantee.

Subd. 6. **Validity of homestead conveyance.** No conveyance of the homestead is valid unless made by both spouses in a joint deed or by separate deeds.

History: (8201) *RL s 3338; 1915 c 131 s 1; 1919 c 395 s 1; 1955 c 243 s 1; 1976 c 181 s 2; 1986 c 444; 1995 c 189 s 8; 1996 c 277 s 1*

507.05 CONVEYANCE BY CORPORATION; RESOLUTION APPOINTING ATTORNEY.

A corporation may convey its real estate by an attorney appointed by resolution of its directors or governing board, a copy of which, certified by its clerk or secretary, may be filed for record with the county recorder.

History: (8202) *RL s 3339; 1976 c 181 s 2*

507.06 QUITCLAIM DEED PASSES ALL ESTATE OF GRANTOR.

A deed of quitclaim and release shall be sufficient to pass all the estate which the grantor could convey by a deed of bargain and sale.

History: (8203) *RL s 3340*

507.061 WORDS OF INHERITANCE NOT NEEDED.

Subdivision 1. **Word "heirs" unnecessary.** The word "heirs," or other words of inheritance, shall not be necessary to create or convey an estate in fee simple.

Subd. 2. **Pre 3/2/1875 conveyances.** Every conveyance by deed without words of inheritance therein executed prior to March 2, 1875, shall be received as prima facie proof of an intention on the part of the parties thereto to convey an estate in fee simple.

History: (8203) *RL s 3340*

507.07 WARRANTY AND QUITCLAIM DEEDS; FORMS.

Warranty and quitclaim deeds may be substantially in the following forms:

WARRANTY DEED

A.B., grantor, of (here insert the place of residence), for and in consideration of (here insert the consideration), conveys and warrants to C.D., grantee, of (here insert the place of residence), the following described real estate in the county of, in the state of Minnesota: (here describe the premises).

Dated this day of, 19.....

(Signature)

Every such instrument, duly executed as required by law, shall be a conveyance in fee simple of the premises described to the grantee, the grantee's heirs and assigns, with covenants on the part of the grantor, the grantor's heirs and personal representatives, that the grantor is lawfully seized of the premises in fee simple and has good right to convey the same; that the premises are free from all encumbrances; that the grantor warrants to the grantee, the grantee's heirs and assigns, the quiet and peaceable possession thereof; and that the grantor will defend the title thereto against all persons who may lawfully claim the same. Such covenants shall be obligatory upon any grantor, the grantor's heirs and personal representatives, as fully and with like effect as if written at length in such deed.

QUITCLAIM DEED

A.B., grantor, of (here insert the place of residence), for the consideration of (here insert the consideration), conveys and quitclaims to C.D., the grantee, of (here insert the place of

residence), all interest in the following described real estate in the county of, in the state of Minnesota: (here describe the premises).

Dated this day of, 19.....

(Signature)

Every such instrument, duly executed, shall be a conveyance to the grantee, the grantee's heirs and assigns, of all right, title, and interest of the grantor in the premises described, but shall not extend to after acquired title, unless words expressing such intention be added.

History: (8204) *RL s 3341; 1986 c 444*

507.08 [Repealed, 1975 c 61 s 26]

507.09 FORMS APPROVED; AMENDMENTS.

The several forms of deeds, mortgages, land contracts, assignments, satisfactions, and other conveyancing instruments prepared by the uniform conveyancing blanks commission and filed by the commission with the secretary of state pursuant to Laws 1929, chapter 135, as amended by Laws 1931, chapter 34, are approved and recommended for use in the state. Such forms shall be kept on file with and be preserved by the commissioner of commerce as a public record. The commissioner of commerce may appoint an advisory task force on uniform conveyancing forms to recommend to the commissioner of commerce amendments to existing forms or the adoption of new forms. The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059. The commissioner of commerce may adopt amended or new forms consistent with the laws of this state by complying with the procedures in section 14.38, subdivision 7, clauses (1), (2), and (3).

History: (8204-2) *1931 c 272 s 1; 1975 c 61 s 2; 1979 c 50 s 62; 1980 c 516 s 2; 1982 c 424 s 130; 1983 c 260 s 62; 1983 c 289 s 114 subd 1; 1984 c 618 s 55; 1984 c 655 art 1 s 92; 1994 c 388 art 1 s 4*

507.091 CONVEYANCE TO INCLUDE NAME AND ADDRESS OF DRAFTER.

Subdivision 1. No instrument by which the title to real estate or any interest therein or lien thereon, is conveyed, created, encumbered, assigned or otherwise disposed of, shall be recorded by the county recorder or registered by the registrar of titles until the name and address of the person who or corporation which drafted the instrument is printed, typewritten, stamped or written on it in a legible manner. An instrument complies with this subdivision if it contains a statement in the following form: "This instrument was drafted by (name) (address)."

Subd. 2. Subdivision 1 does not apply to any instrument executed before January 1, 1970, nor to a decree, order, judgment or writ of any court, a will or death certificate, nor to any instrument executed or acknowledged outside the state.

Subd. 3. The validity and effect of the record of any instrument in the office of the county recorder or registrar of titles shall not be lessened or impaired by the fact it does not comply with subdivision 1.

History: *1969 c 1118 s 1-3; 1976 c 181 s 2; 1986 c 444*

507.092 CONVEYANCE TO INCLUDE NAME AND ADDRESS OF GRANTEE.

Subdivision 1. No contract for deed or deed conveying fee title to real estate shall be recorded by the county recorder or registered by the registrar of titles until the name and address of the grantee, to whom future tax statements should be sent, is printed, typewritten, stamped or written on it in a legible manner. An instrument complies with this subdivision if it contains a statement in the following form: "Tax statements for the real property described in this instrument should be sent to:
..... (name) (address)."

Subd. 2. Subdivision 1 does not apply to any instrument executed before January 1, 1972, nor to a decree, order, judgment or writ of any court, a will or death certificate, nor to any instrument executed or acknowledged outside the state.

Subd. 3. The validity and effect of the record of any instrument in the office of the county recorder or registrar of titles shall not be lessened or impaired by the fact it does not comply with subdivision 1.

History: 1971 c 795 s 1; 1975 c 391 s 1; 1976 c 181 s 2

507.093 STANDARDS FOR DOCUMENTS TO BE RECORDED OR FILED.

(a) The following standards are imposed on documents to be recorded with the county recorder or filed with the registrar of titles:

(1) The document shall consist of one or more individual sheets measuring no larger than 8.5 inches by 14 inches.

(2) The form of the document shall be printed, typewritten, or computer generated in black ink and the form of the document shall not be smaller than 8-point type.

(3) The document shall be on white paper of not less than 20-pound weight with no background color, images, or writing and shall have a clear border of approximately one-half inch on the top, bottom, and each side.

(4) The first page of the document shall contain a blank space at the top measuring three inches, as measured from the top of the page. The right half to be used by the county recorder for recording information or registrar of titles for filing information and the left half to be used by the county auditor or treasurer for certification.

(5) The title of the document shall be prominently displayed at the top of the first page below the blank space referred to in clause (4).

(6) No additional sheet shall be attached or affixed to a page that covers up any information or printed part of the form.

(7) A document presented for recording or filing must be sufficiently legible to reproduce a readable copy using the county recorder's or registrar of title's current method of reproduction:

(b) The recording or filing fee for a document that does not conform to the standards in paragraph (a) shall be increased as provided in sections 357.18, subdivision 5; 508.82; and 508A.82.

(c) The recorder or registrar shall refund the recording or filing fee to the applicant if the real estate documents are not filed or registered within 30 days after receipt.

History: 1996 c 338 art 3 s 1

NOTE: This section, as added by Laws 1996, chapter 338, article 3, section 1, is effective August 1, 1997. Laws 1996, chapter 338, article 3, section 5.

507.10 CERTIFIED COPIES OF FORMS TO BE PRESERVED.

The board of county commissioners of each county in this state shall provide the county recorder and the judge exercising probate jurisdiction of the county with one copy of each form so approved, a copy of sections 507.09 to 507.14, a copy of the certificate of the Minnesota uniform conveyancing blanks commission contained in the book of forms filed in the office of the commissioner of commerce, and a copy of the filing certificate, to be certified as herein provided. Upon presentation to the commissioner of commerce of sufficient number of true copies of such forms, laws, and certificates in book form to carry out this provision, the commissioner shall, without charge, certify the same to be true copies thereof. Each county recorder and each judge exercising probate jurisdiction shall thereafter preserve one such certified copy on file in their respective offices for the convenient use of the public.

History: (8204-3) 1931 c 272 s 2; 1976 c 181 s 2; 1979 c 50 s 63; 1984 c 618 s 56; 1986 c 444; 1995 c 189 s 8; 1996 c 277 s 1

507.11 [Repealed, 1969 c 995 s 7]

507.12 [Repealed, 1969 c 995 s 7]

507.13 STANDARD FORMS ESTABLISHED.

The intent is to establish a standard set of printed forms which may be used in the state for real estate conveyancing and to fix and make uniform the fee for recording instruments

drawn on such forms and for other instruments which do not conform thereto, but sections 507.09 to 507.14 shall not in any way change present rules of construction applicable to any of these instruments or to the contents thereof.

History: (8204-6) 1931 c 272 s 5; 1979 c 50 s 64

507.14 MINNESOTA UNIFORM CONVEYANCING BLANKS.

The forms approved and recommended for use by sections 507.09 to 507.14 may be referred to as Minnesota uniform conveyancing blanks (1931).

History: (8204-7) 1931 c 272 s 6; 1979 c 50 s 65

507.15 UNIFORM SHORT FORM MORTGAGE; EQUIVALENT LANGUAGE.

Subdivision 1. Explanation and form. In the form set out in this section, the blank spaces indicate where appropriate matter is to be supplied to complete the form. The words in parentheses are no part of the form, but indicate what matter is to be supplied to complete it or indicate changes or additions that may be made in or to it. The words in parentheses in the statutory equivalents of the form indicate what matter, used to complete the form, is to be included in such equivalents to complete them.

The use of the following short form mortgage of real property is lawful, but the use of other forms is not forbidden or invalidated:

UNIFORM SHORT FORM MORTGAGE

This statutory mortgage, made this day of, 19....., between (give name and address) mortgagor, and (give name and address) mortgagee,

Witnesseth, that to secure the payment of (give description of indebtedness and instruments evidencing same), the mortgagor, hereby mortgages to the mortgagee (give description of premises "subject to" any encumbrances thereon).

And (....., one of) the mortgagor covenants with the mortgagee the following statutory covenants;

1. To warrant the title to the premises.
2. To pay the indebtedness as herein provided.
3. To pay all taxes.
4. To keep the buildings insured against fire for \$....., and against (give other hazards insured against and amount of such other insurance) for the protection of the mortgagee.
5. That the premises shall be kept in repair and no waste shall be committed.
6. That the whole of the principal sum shall become due after default, in the payment of any installment of principal or interest, or of any tax, or in the performance of any other covenant, at the option of the mortgagee.

If default be made in any payment or covenant herein, the mortgagee shall have the statutory power of sale, and on foreclosure may retain statutory costs and attorney's fees.

In witness whereof the mortgagor has duly executed this mortgage. (Or use other testimony clause. Add signatures and other formalities of execution.)

Subd. 2. Omissions, additions. Any of the covenants or the power of sale in the short form mortgage may be omitted. Additional clauses, conditions, covenants and provisions may be added.

The language of the short form mortgage shall have the meaning and effect stated in the following subdivisions of this section.

MEANING OF COVENANTS IN SHORT FORM MORTGAGE

Subd. 3. Words of mortgage; equivalent. The expression contained in the short form mortgage "the mortgagor hereby mortgages to the mortgagee" shall be equivalent to the following:

"The mortgagor also in consideration of \$1.00, paid by the mortgagee, the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, release and convey unto the mortgagee, his heirs, successors, and assigns forever (premises "subject to" any encum-

brances thereon as described in the mortgage) together with the hereditaments and appurtenances thereunto belonging or in any wise appertaining and all the estate, rights and interests, of the mortgagor, including all homestead and dower rights and all inchoate and contingent rights, in and to said premises; to have and to hold the above granted premises unto the mortgagee, his heirs, successors, and assigns forever; provided, that if the mortgagor, his heirs, executors or administrators, shall pay unto the mortgagee, his executors, administrators or assigns, the said sum of money mentioned in said (instruments evidencing indebtedness) and the interest thereon, at the time and in the manner aforesaid, and shall keep and perform each and every covenant herein contained on the part of the mortgagor to be kept and performed, that then this mortgage, and the estate hereby granted, shall cease, determine and become void."

Subd. 4. Statutory covenant equivalents. The respective statutory covenants contained in said mortgage shall have the following equivalents:

(1) Covenant 1 is equivalent to: "That the mortgagor is lawfully seized of the premises; that he has good right to mortgage the same; that the same are free from all encumbrances except as above stated; and that the mortgagor will warrant and defend the title to the same against all lawful claims."

(2) Covenant 2 is equivalent to: "That the mortgagor will pay the principal sum of money secured by this mortgage, and also the interest thereon as herein provided, and also, in case the mortgage is foreclosed by suit the costs and expenses of the foreclosure, including maximum statutory attorney's fees, which shall be allowed out of the proceeds of the sale."

(3) Covenant 3 is equivalent to: "That until the indebtedness hereby secured is fully paid the mortgagor will pay all taxes, assessments, and other governmental levies which may be assessed against or become liens on the premises, before any penalty, interests or other charge accrues, and in default thereof the mortgagee may pay the same, and the mortgagor will repay the same forthwith with interest at the mortgage rate, and the same shall become part of the debt secured by the mortgage."

(4) Covenant 4 is equivalent to: "That the mortgagor will, during all the time until the indebtedness secured by the mortgage is fully paid, keep the buildings on the premises insured against loss or damage by fire, to the amount of (the sum specified in mortgage), and against loss or damage by (any other hazard specified) to the amount of (sums specified therefore), and in a company to be approved by the mortgagee, and will assign and deliver the policies of such insurance to the mortgagee so and in such manner and form that he shall at all times, until the full payment of said indebtedness, have and hold the said policies as a collateral and further security for the payment of said indebtedness, or at the option of the mortgagee will make such policies payable in case of loss to the mortgagee as his interest may appear and will deposit them with the mortgagee, and in default of so doing, that the mortgagee may make such insurance from year to year, or for one or more years at a time, and pay the premiums therefor, and that the mortgagor will forthwith repay to the mortgagee the same, with interest at the mortgage rate, and that the same shall become a part of the debt secured by the mortgage in like manner as the principal sum. The mortgagee may retain any moneys received by him on the policies, but the same shall apply in part payment of the mortgage."

(5) Covenant 5 is equivalent to: "That the mortgagor will at all times keep the premises in good repair and suffer and commit no waste thereon, and that no buildings shall be removed or demolished without the consent of the mortgagee."

(6) Covenant 6 is equivalent to: "That should any default be made in the payment of any installments of principal or any part thereof, or in the payment of any interest or any part thereof, on any day whereon the same is made payable, or in the payment of any tax, assessment, or other governmental levy, as herein provided, or should any other default be made in any of the covenants of this mortgage, then at any time thereafter while any such default continues, the mortgagee may, at his option and without notice, declare the whole sum secured by the mortgage immediately due and payable, and thereupon the whole sum including accrued interest, secured by the mortgage, shall immediately become and be due and payable."

Subd. 5. Power of sale equivalent. The statutory power of sale clause contained in said mortgage immediately following covenant 6, shall be equivalent to the following:

"If default be made in the payment of the principal or interest or any part thereof, or of taxes, assessments, insurance premiums, or any other sum, when the same becomes due as herein provided, the mortgagor hereby authorizes and empowers the mortgagee forthwith to foreclose this mortgage, and to sell the mortgaged premises at public auction according to the statute in such case provided, and to apply the proceeds of the sale to pay all amounts then due on the mortgage, including principal, interest, and the amount of any taxes, assessments and insurance premiums and any other sum which may then be due to the mortgagee, and also to pay all costs and expenses of such foreclosure sale, including maximum statutory attorney's fees, which costs, expenses, and fees the mortgagor agrees to pay."

Subd. 6. Obligations are benefits to whom? All the obligations of the mortgagor as set forth in this section shall be construed as applying to the mortgagor's heirs, executors, and administrators or successors; and all the rights and powers of the mortgagee shall inure for the benefit of and may be exercised by the mortgagee's executors, administrators, successors, or assigns.

Subd. 7. Prior mortgage obligation equivalent. The following covenant may be added to the covenants of the short form mortgage: "7. To pay principal and interest on prior mortgages." When so added it is equivalent to: "That until the indebtedness hereby secured is fully paid, the mortgagor will pay when due, whether by acceleration or otherwise all interest and principal and other sums owing to the mortgagee therein on any mortgage which is a lien on the premises prior to this mortgage, and in default of so paying all such interest and principal and other sums, the mortgagee herein may pay the same and the mortgagor will forthwith repay the same with interest at the rate of this mortgage and the same shall become a part of the debt secured by this mortgage in like manner as the principal sum."

Subd. 8. This section may be cited as the uniform short form mortgage act.

History: (8204-9, 8204-10, 8204-11) 1931 c 204 s 1-3; 1986 c 444

507.16 NO COVENANTS OF TITLE IMPLIED.

Except as provided in section 507.07, no covenant of title shall be implied in any conveyance or mortgage, whether such conveyance contains special covenants or not.

History: (8205) RL s 3342; 1971 c 922 s 1

507.161 CONVEYANCE BY DISSEIZEE.

No grant or conveyance of lands, or of any interest therein, shall be void for the reason that, at the time of the execution thereof, such land was in the actual possession of another claiming adversely.

History: (8205) RL s 3342

507.17 CONVEYANCE INCLUDES ABUTTING VACATED PUBLIC RIGHT OF WAY.

Every conveyance of real estate which abuts upon a vacated street, alley, or other public right-of-way shall be construed to include that part of such right-of-way or street which, either by operation or presumption of law, attaches thereto upon such vacation, unless such conveyance expresses a contrary intention.

History: (8208-1) 1939 c 386

507.18 PROHIBITED RESTRICTIONS.

Subdivision 1. Religious faith, creed, race, color. No written instrument hereafter made, relating to or affecting real estate, shall contain any provision against conveying, mortgaging, encumbering, or leasing any real estate to any person of a specified religious faith, creed, race or color, nor shall any such written instrument contain any provision of any kind or character discriminating against any class of persons because of their religious faith, creed, race or color. In every such provision any form of expression or description which is commonly understood as designating or describing a religious faith, creed, race or color shall have the same effect as if its ordinary name were used therein.

Subd. 2. Restriction only is void. Every provision referred to in subdivision 1 shall be void, but the instrument shall have full force in all other respects and shall be construed as if no such provision were contained therein.

Subd. 3. Words constructively defined. As used in this section the phrase "written instruments relating to or affecting real estate," embraces every writing relating to or affecting any right, title, or interest in real estate, and includes, among other things, plats and wills; and the word "provision" embraces all clauses, stipulations, restrictions, covenants, and conditions of the kind or character referred to in subdivision 1.

Subd. 4. Civil action; damages. Every person who violates subdivision 1, or aids or incites another to do so, shall be liable in a civil action to the person aggrieved in damages not exceeding \$500.

History: (8206, 8207, 8208, 8209) 1919 c 188 s 1-3; 1953 c 480 s 1

507.19 CONVEYANCE BY TENANT FOR LIFE OR YEARS; NO FORFEITURE.

A conveyance made by a tenant for life or years, purporting to grant a greater estate than the tenant possessed or could lawfully convey, shall not work a forfeiture of the estate of a tenant for life or years, but shall pass to the grantee all the estate which such tenant could lawfully convey.

History: (8210) RL s 3343; 1986 c 444

507.20 GRANTOR TO MAKE KNOWN ENCUMBRANCE.

In all conveyances by deed or mortgage of real estate upon which any encumbrance exists, the grantor, whether executing the same in the grantor's own right, or as executor, administrator, assignee, trustee, or otherwise by authority of law, shall, before the consideration is paid, by exception in the deed or otherwise, make known to the grantee the existence and nature of such encumbrance, so far as the grantor has knowledge thereof.

History: (8211) RL s 3344; 1986 c 444

507.21 LIABILITY OF GRANTOR WHO COVENANTS AGAINST ENCUMBRANCES.

Whoever conveys real estate by deed or mortgage containing a covenant that it is free from all encumbrances, when an encumbrance, whether known to the person conveying or not, appears of record to exist thereon, but does not exist in fact, shall be liable in an action of contract to the grantee, the grantee's heirs, executors, administrators, successors, or assigns, for all damages sustained in removing the same.

History: (8212) RL s 3345; 1986 c 444

507.22 [Repealed, 1973 c 9 s 6]

507.23 INCOMPLETE CONVEYANCE, HOW PROVEN.

When any grantor dies, or departs from or resides out of the state, not having acknowledged the grantor's conveyance, the execution thereof may be proved before any court of record by proving the handwriting of the grantor.

History: (8216) RL s 3347; 1973 c 9 s 2; 1986 c 444

507.235 FILING CONTRACTS FOR DEED.

Subdivision 1. Filing required. All contracts for deed executed on or after January 1, 1984, shall be recorded by the vendee within four months in the office of the county recorder or registrar of titles in the county in which the land is located. Any other person may record the contract. This filing period may be extended if failure to pay the property tax due in the current year on a parcel as required in section 272.121 has prevented filing and recording of the contract. In the case of a parcel that was divided and classified under section 273.13 as class 1a or 1b, the period may be extended to October 31 of the year in which the sale occurred, and in the case of a parcel that was divided and classified under section 273.13 as class 2a, the period may be extended to November 30 of the year in which the sale occurred.

A person receiving an assignment of a vendee's interest in a contract for deed that is transferred on or after January 1, 1989, shall record the assignment within four months of the

date of transfer in the office of the county recorder or registrar of titles in the county in which the land is located. For the purpose of this section, "assignment" means an assignment or other transfer of all or part of a vendee's interest in a contract for deed. Any other person may record an assignment.

Subd. 2. Penalty for failure to file. (a) A vendee who fails to record a contract for deed, as required by subdivision 1, is subject to a civil penalty, payable under subdivision 5, equal to two percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty may be enforced as a lien against the vendee's interest in the property.

(b) A person receiving an assignment of a vendee's interest in a contract for deed who fails to record the assignment as required by subdivision 1 is subject to a civil penalty, payable under subdivision 5, equal to two percent of the original principal amount of the contract debt. Payments of the penalty must be deposited in the general fund of the county. The penalty may be enforced as a lien against the vendee's interest in the property.

Subd. 3. Disclosure. (a) Whenever a contract for deed or assignment of a vendee's interest in a contract for deed is not recorded and a city or county attorney requires information concerning the contract for deed or assignment of contract for deed for the performance of the attorney's duties on behalf of the city or county, the city or county attorney may request disclosure under paragraph (b).

(b) A vendor, vendee, or current or former holder of a vendor's or vendee's interest in a contract for deed, a person who collects payments made under a contract for deed, or a person in possession of the property subject to a contract for deed shall, on written request that includes a copy of this section made by the city or county attorney of the city or county in which the property is located, disclose all information known to the person relating to:

(1) the identity and residence or office mailing address of the parties to the contract for deed; and

(2) any assignments of the contract for deed.

The disclosure also must include any legible, true and correct copies of each contract for deed and assignment documents in the possession of or reasonably available to the person required to disclose.

The information must be disclosed in writing to the city or county attorney within 14 days of receipt of the written request.

Subd. 4. Criminal penalty. A person who is required to record a contract for deed or an assignment of a contract for deed under subdivision 1 and who fails to record the contract for deed or assignment within 14 days of receipt of the notice required under subdivision 5 is guilty of a misdemeanor. A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may prosecute criminal violations of this section. This criminal liability is in addition to civil liability imposed under this section.

Subd. 5. Civil enforcement. (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.

(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, or an action under subdivision 4, the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.

(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable, or that section 272.121 prohibits the recording of the contract for deed or assignment, and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees.

History: 1983 c 342 art 2 s 25; 1984 c 593 s 45; 1984 c 655 art 1 s 69; 1988 c 566 s 1; 1988 c 719 art 19 s 25

507.24 RECORDABLE, WHEN.

To entitle any conveyance, power of attorney, or other instrument affecting real estate to record, it shall be executed, acknowledged by the parties executing the same, and the acknowledgment certified, as required by law. All such instruments may be recorded in every county where any of the lands lie. If the conveyance, power of attorney, or other instrument affecting real estate is executed out of state, it shall be entitled to record if executed as above provided or according to the laws of the place of execution so as to be entitled to record in such place.

History: (8217) *RL s 3348; 1947 c 566 s 2; 1973 c 9 s 3*

507.25 CERTIFIED COPY OF RECORD MAY BE RECORDED.

A copy of the record of any conveyance or other instrument authorized by law to be recorded in the office of the county recorder in any county, or actually recorded therein in any county other than that in which the land described in or affected by the instrument was situated at the time of the record thereof, or authorized by law to be recorded in the office of the secretary of state or of the commissioner of finance, certified by the proper custodian of such record to be a true copy thereof, may be recorded in any county, with the same force and effect that the original instrument would have if so recorded.

History: (8218) *RL s 3349; 1973 c 492 s 14; 1976 c 181 s 2*

507.251 CONSTRUCTIVE NOTICE, WHEN NOT AFFECTED.

Subdivision 1. Attestation clause, acknowledgment; defect, absence. In any case where an instrument affecting the title to real estate, or authorizing an act affecting the title to real estate, was heretofore or is hereafter filed for record and recorded in the office of the county recorder or filed in the office of the registrar of titles of the county in this state wherein the real estate, or any part thereof, is situated, and there is apparent on the face of the instrument or the record thereof a defect in the attestation of the instrument, or the absence of any attestation, or a defect in the acknowledgment of the instrument or in the certification of the acknowledgment, or the absence of any certificate of acknowledgment, or a combination of two or more of such defects, the instrument and the filing and record thereof and certified copies of the instrument and of the record thereof shall have the same force and effect as constructive notice and the same force and effect as evidence and the same force and effect for all purposes that they would have had if no such defect or omission in attestation, acknowledgment or certification of acknowledgment had been apparent on the face of the instrument or the record thereof.

Subd. 2. Recording and filing of wills excepted. This section shall not apply to the recording or filing of wills.

Subd. 3. Recording officers, liability not affected. This section shall not be construed as relieving the county recorder or the registrar of titles of any county in this state from any penalty or liability imposed by law for accepting and recording or filing an instrument not legally entitled to record or filing.

Subd. 4. Limitation. This section shall not affect any action pending on March 18, 1949, or commenced before January 1, 1950, in any court in this state.

History: 1949 c 134 s 1-4; 1976 c 181 s 2

507.26 JUDGMENTS.

A certified copy of any judgment, decree, or order made by any court of record within the state, affecting title to real estate or any interest therein, may be recorded in any county where any of the lands lie, in the same manner and with like effect as a conveyance.

History: (8219) *RL s 3350*

507.27 COPY OF WILL AND ORDER ADMITTING TO PROBATE.

An authenticated or certified copy of any will devising lands, or any interest therein, and the order admitting the will to probate, may be recorded in the office of the county recorder of the county in which the lands lie.

History: (8220) *RL s 3351; 1947 c 307 s 1; 1976 c 181 s 2*

507.28 DEEDS OF PEWS.

Deeds of pews and slips in any church may be recorded by the county recorder of the county in which such church is situated, or by the clerk of the society or proprietors, if incorporated or legally organized.

History: (8221) *RL s 3352; 1976 c 181 s 2*

507.29 AFFIDAVITS AS EVIDENCE.

Any affidavit relating to the identification, the marital status or relation, the relation as to service in the armed forces of the United States, the death, or the time of death, of any person who is a party to any instrument affecting the title to real estate, or an affidavit relating to the identification of any corporation or other legal entity which is a party to any instrument affecting the title to real estate, duly sworn to before any officer or person authorized to administer an oath under the laws of this state, shall be recordable in the office of the county recorder where such instrument is recorded.

Any such affidavit so recorded, or a certified copy thereof, is admissible as evidence in any action involving the instrument to which it relates or the title to the real estate affected by such instrument and is prima facie evidence of the facts stated therein.

History: (8221-1, 8221-2) *1931 c 209 s 1,2; 1949 c 276 s 1; 1965 c 773 s 1; 1976 c 181 s 2*

507.291 [Repealed, 1984 c 603 s 29]

507.292 [Repealed, 1984 c 603 s 29]

507.293 [Repealed, 1984 c 603 s 29]

507.294 [Repealed, 1984 c 603 s 29]

507.30 ACTION TO TEST NEW COUNTY; CONVEYANCES, WHERE RECORDED.

During the pendency of any action or proceeding to test the validity of the organization of a new county, all instruments affecting real estate within such county may be recorded in the original county with the same effect as if recorded in such new county.

History: (8222) *RL s 3353*

507.31 RAILROAD LANDS.

Subdivision 1. Certified lists filed in counties. Every railroad company to whom lands have been or shall be conveyed by the state to aid in the construction of its road shall prepare, at its own expense, separate lists of such lands lying within the several counties, according to the government surveys, which lists shall be compared by the commissioner of finance with the original lists in the commissioner's office received from the interior department of the general government; and each list when corrected by the commissioner shall have appended thereto a certificate that the same is a correct and complete list of the lands in the county certified to the state and by it conveyed to such company. Such lists so certified shall be filed by the companies with the county recorders of the respective counties where such lands lie, who shall keep the same as public records, and they shall be prima facie evidence of the title of such companies. In all cases where any railroad company has failed to comply with the provisions of this section, the board of county commissioners of any county in this state is hereby authorized to direct the county recorder of the county to transcribe directly from the original patents or approved lists from the United States government to the state of Minnesota and the

record of deeds from the state of Minnesota to the railroad company receiving such lands. Such original patents and record of deeds being on file in the commissioner of finance's office, the commissioner of finance shall offer the needed conveniences to any county recorder who desires to make a transcript as herein provided. The county board shall furnish the county recorder with the necessary books and records. It shall be the duty of the commissioner of finance to carefully compare such transcribed copies of patents, approved lists or deeds with the original instruments and records on file in the commissioner's office, and when compared to so duly certify to each instrument. Such transcribed records duly certified by the commissioner of finance when deposited with the county recorder of any county shall be prima facie evidence of the facts therein set forth and of the original instruments so recorded; and an official transcript therefrom shall be admissible as evidence in all the courts of the state. The commissioner of finance shall receive no fees for services rendered. The county recorder shall receive the same fees as allowed by law for recording original instruments in the county recorder's office, which sum shall be paid by the county upon the approval of the board of county commissioners.

Subd. 2. [Repealed, 1984 c 618 s 61]

History: (8223, 8224) *RL s 3354,3355; 1913 c 393 s 1; 1973 c 492 s 14; 1976 c 181 s 2; 1986 c 444*

507.32 RECORD, WHEN NOTICE TO PARTIES; ASSIGNMENT OF MORTGAGE.

The record, as herein provided, of any instrument properly recorded shall be taken and deemed notice to parties. The record of an assignment of a mortgage shall not in itself be notice of such assignment to the mortgagor, the mortgagor's heirs or personal representatives, so as to invalidate any payment made by either of them to the mortgagee.

History: (8225) *RL s 3356; 1986 c 444*

507.325 MORTGAGE SECURING REVOLVING LINE OF CREDIT; NOTICE.

A mortgage securing a revolving line of credit under which advances, payments, and readvances may be made from time to time, and which states the maximum amount of the line of credit which may be secured at any one time, is effective as notice to parties from the time the mortgage is recorded as to all advances and readvances secured thereby, regardless of the time or amount of advances, payments, or readvances and whether or not the advances or readvances are obligatory.

History: 1984 c 502 art 14 s 16

507.33 CERTAIN RECITALS NOT TO CONSTITUTE NOTICE OF MORTGAGE.

Where an instrument affecting the title to real property in this state recites the existence of a mortgage against the real property, or some part thereof, where the instrument containing such recital either was recorded prior to 1900 in the office of the county recorder of the county where the real property, or some part thereof, is situated, or was filed prior to that date in a judicial proceeding affecting the real property, or some part thereof, in the district court or probate court of such county, and where the time of the maturity of the whole of the debt secured by the mortgage is not clearly stated in the recital, then such recital may be disregarded and shall not constitute notice of the mortgage, either actual or constructive, to any subsequent purchaser or encumbrancer of the real property, or any part thereof.

History: (8225-1) 1939 c 390 s 1; 1976 c 181 s 2

507.331 CERTAIN RECITALS DISREGARDED.

Where any instrument affecting the title to real estate in this state recites the existence of a contract for conveyance affecting such real property, or some part thereof, and the instrument containing such recital was recorded prior to 1910 in the office of the county recorder of the county wherein the real property, or some part thereof, is situated, and no action or proceeding has been taken upon such contract for conveyance and the time for performing the conditions contained in such contract expired prior to 1925, then such recital may be disre-

garded and shall not constitute notice of the contract for conveyance, either actual or constructive, to any subsequent purchaser or encumbrancer of the real property, or any part thereof.

History: 1941 c 192 s 1; 1976 c 181 s 2

507.332 WHETHER RECORDED RECITAL OF UNRECORDED MORTGAGE IS NOTICE.

Subdivision 1. **No notice.** A recital of the existence of an unrecorded mortgage in an instrument:

(1) that affects title to real property and

(2) is recorded with the county recorder of the county where the real property is located, is not actual or constructive notice to a subsequent purchaser or encumbrancer once five years have passed since the date of the instrument containing the recital, unless the conditions in subdivision 2 are met.

Subd. 2. **Notice.** If, in the circumstances described in subdivision 1, an action to foreclose the unrecorded mortgage was commenced and a notice of pendency or notice of *lis pendens* was recorded during the five-year period, then, the recital is actual or constructive notice of the unrecorded mortgage to a subsequent purchaser or encumbrancer of the real property.

Subd. 3. **Foreclosure period unaffected.** This section does not limit or extend the period, set out in section 541.03, to bring an action to foreclose a mortgage.

Subd. 4. **If *lis pendens* before March 1995.** This section does not affect a proceeding to foreclose a mortgage pending on August 1, 1994, or to be commenced in a court of this state if, before March 1, 1995, a notice of *lis pendens* has been recorded in the office of the county recorder or filed in the office of the registrar of titles.

History: 1943 c 180; 1947 c 626 s 1; 1976 c 181 s 2; 1994 c 388 art 1 s 5

507.34 UNRECORDED CONVEYANCES VOID IN CERTAIN CASES.

Every conveyance of real estate shall be recorded in the office of the county recorder of the county where such real estate is situated; and every such conveyance not so recorded shall be void as against any subsequent purchaser in good faith and for a valuable consideration of the same real estate, or any part thereof, whose conveyance is first duly recorded, and as against any attachment levied thereon or any judgment lawfully obtained at the suit of any party against the person in whose name the title to such land appears of record prior to the recording of such conveyance. The fact that such first recorded conveyance is in the form, or contains the terms of a deed of quitclaim and release shall not affect the question of good faith of such subsequent purchaser or be of itself notice to the subsequent purchaser of any unrecorded conveyance of the same real estate or any part thereof.

History: (8226) RL s 3357; 1976 c 181 s 2; 1986 c 444

507.35 WHEN DEED TO TRUSTEE INEFFECTIVE; CURE.

When any instrument, otherwise legal, affecting the title to real estate situate in this state, granting any interest therein to or evidencing any lien thereon in favor of any person, as trustee, shall be recorded in the office of the county recorder, or filed in the office of the registrar of titles, of the county in which such real estate is situate, and the powers of such trustee and the beneficiary of such trust are not set forth in the instrument expressly or by reference to an instrument so recorded or filed such designation of such grantee, as trustee, may be disregarded and shall not be deemed to give notice to any person of the rights of any beneficiary under such trust in the real estate unless and until an instrument defining or conferring such powers of such trustee and designating the beneficiary thereunder, with a certificate attached executed by the trustee in the same manner as deeds are required to be executed by the laws of this state describing such instrument so granting an interest or evidencing a lien and stating that the same is held subject to the provisions of such trust, shall be so recorded or filed after such recording or filing of such instrument granting the interest in or evidencing such lien on the real estate.

History: (8226-1) 1929 c 318 s 1; 1976 c 181 s 2

507.36 INSTRUMENTS RELATING TO TIMBER, MINERALS.

Every instrument heretofore or hereafter executed in the form of a conveyance, mortgage, lease, or in any other form in any manner affecting standing timber, stone, ores, minerals, or other similar property in place in or upon the earth, when executed and acknowledged in the manner provided for the execution and acknowledgment of conveyances, may be recorded in the office of the county recorder of any county in which such property is situated and such record shall be notice of the contents thereof and of the rights of all parties thereunder, as well after as before the severance or separation of such property from the land.

History: (8230) *RL s 3359; 1976 c 181 s 2*

507.37 RECORD OF CONVEYANCE OF LAND IN UNORGANIZED COUNTY.

The record of every conveyance or other instrument affecting real estate in any unorganized county heretofore recorded in the county to which such unorganized county was then attached for judicial purposes, shall have the same force and effect as if recorded in the county where the real estate is situated.

History: (8231) *RL s 3360*

507.38 WHEN DEED NOT DEFEATED BY DEFEASANCE.

When a deed purports to be an absolute conveyance but is made or intended to be made defeasible by force of an instrument of defeasance the original conveyance shall not thereby be defeated or affected as against any person other than the maker of the defeasance, or the maker's heirs or devisees, or persons having actual notice thereof, unless the instrument of defeasance is recorded in the county where the lands lie.

History: (8232) *RL s 3361; 1986 c 444*

507.39 [Repealed, 1984 c 603 s 29]**507.40 MORTGAGES, HOW DISCHARGED.**

A mortgage may be discharged by filing for record a certificate of its satisfaction executed and acknowledged by the mortgagee, the mortgagee's personal representative, or assignee, as in the case of a conveyance. The county recorder shall enter the number of such certificate and the book and page of its record upon the record of the mortgage or on a microfilm card whenever possible. If a mortgage be recorded in more than one county and discharged of record in one of them, a certified copy of such discharge may be recorded in another county with the same effect as the original. If the discharge be by marginal entry, heretofore made, such copy shall include the record of the mortgage. In all cases the discharge shall be entered in the reception book and indexes as conveyances are entered.

History: (8234) *RL s 3363; 1955 c 328 s 1; 1975 c 148 s 1; 1976 c 181 s 2; 1986 c 444*

507.401 TITLE INSURANCE COMPANY; MORTGAGE RELEASE CERTIFICATE.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Mortgage" means a mortgage or mortgage lien on an interest in real property in this state given to secure a loan in the original principal amount of \$500,000 or less.

(c) "Mortgagee" means:

(1) the grantee of a mortgage; or

(2) if a mortgage has been assigned of record, the last person to whom the mortgage has been assigned of record.

(d) "Mortgage servicer" means the last person to whom a mortgagor or the mortgagor's successor in interest has been instructed by a mortgagee to send payments on a loan secured by a mortgage. A person transmitting a payoff statement is the mortgage servicer for the mortgage described in the payment statement.

(e) "Mortgagor" means the grantor of a mortgage.

(f) "Payoff statement" means a statement of the amount of:

(1) the unpaid balance of a loan secured by a mortgage, including principal, interest, and any other charges properly due under or secured by the mortgage; and

(2) interest on a per day basis for the unpaid balance.

(g) "Record" means to record with the county recorder or file with the registrar of titles.

(h) "Title insurance company" means a corporation or other business entity authorized and licensed to transact the business of insuring titles to interests in real property in this state under chapter 68A.

Subd. 2. Certificate of release. An officer or duly appointed agent of a title insurance company may, on behalf of a mortgagor or a person who acquired from the mortgagor title to all or a part of the property described in a mortgage, execute a certificate of release that complies with the requirements of this section and record the certificate of release in the real property records of each county in which the mortgage is recorded if: (i) a satisfaction or release of the mortgage has not been executed and recorded within 60 days after the date payment in full of the loan secured by the mortgage was sent in accordance with a payoff statement furnished by the mortgagee or the mortgage servicer, and (ii) the title insurance company, its officer, or agent has sent to the last known address of the mortgagee or the mortgage servicer, at least 30 days prior to executing the certificate of release, written notice of its intention to execute and record a certificate of release in accordance with this section after the expiration of the 60-day period.

Subd. 3. Contents. A certificate of release executed under this section must contain substantially all of the following:

(1) the name of the mortgagor, the name of the original mortgagee, and, if applicable, the mortgage servicer, the date of the mortgage, the date of recording, and volume and page or document number in the real property records where the mortgage is recorded, together with similar information for the last recorded assignment of the mortgage;

(2) a statement that the mortgage was in the original principal amount of \$500,000 or less;

(3) a statement that the person executing the certificate of release is an officer or a duly appointed agent of a title insurance company authorized and licensed to transact the business of insuring titles to interests in real property in this state under chapter 68A;

(4) a statement that the certificate of release is made on behalf of the mortgagor or a person who acquired title from the mortgagor to all or a part of the property described in the mortgage;

(5) a statement that the mortgagee or mortgage servicer provided a payoff statement which was used to make payment in full of the unpaid balance of the loan secured by the mortgage;

(6) a statement that payment in full of the unpaid balance of the loan secured by the mortgage was made in accordance with the written or verbal payoff statement, and received by the mortgagee or mortgage servicer, as evidenced by one or more of the following in the records of the title insurance company or its agent:

(i) a bank check, certified check, escrow account check from the title company or title insurance agent, or attorney trust account check that has been negotiated by the mortgagee or mortgage servicer; or

(ii) other documentary evidence of payment to the mortgagee or mortgage servicer;

(7) a statement that more than 60 days have elapsed since the date payment in full was sent;

(8) a statement that after the expiration of the 60-day period referred to in subdivision 2, the title insurance company, its officer, or agent sent to the last known address of the mortgagee or mortgage servicer, at least 30 days prior to executing the certificate of release, notice in writing of its intention to execute and record a certificate of release in accordance with this section, with an unexecuted copy of the proposed certificate of release attached to the written notice; and

(9) a statement that the title insurance company, its officer, or agent has not received notification in writing of any reason why the certificate of release should not be executed and recorded after the expiration of the 30-day notice period referred to in subdivision 2.

Subd. 4. Execution. (a) A certificate of release authorized by subdivision 2 must be executed and acknowledged as required by law in the case of a deed and may be executed by a duly appointed agent of a title insurance company, but such delegation to an agent by a title insurance company shall not relieve the title insurance company of any liability for damages caused by its agent for the wrongful or erroneous execution of a certificate of release.

(b) The appointment of agent must be executed and acknowledged as required by law in the case of a deed and must state:

- (1) the title insurance company as the grantor;
- (2) the identity of the person, partnership, or corporation authorized to act as agent to execute and record certificates of release provided for in this section on behalf of the title insurance company;
- (3) that the agent has the full authority to execute and record certificates of release provided for in this section on behalf of the title insurance company;
- (4) the term of appointment of the agent; and
- (5) that the agent has consented to and accepts the terms of the appointment.

(c) A single appointment of agent may be recorded in each county in each recording or filing office. A separate appointment of agent shall not be necessary for each certificate of release. For registered land the appointment of agent shall be shown as a memorial on each certificate of title on which a mortgage to be released by a certificate of release under this section is a memorial. The appointment of agent may be rerecorded where necessary to establish authority of the agent, but such authority shall continue until a revocation of appointment is recorded in the office of the county recorder, or registrar of titles, where the appointment of agent was recorded.

Subd. 5. Effect. For purposes of releasing the mortgage, a certificate of release containing the information and statements provided for in subdivision 3 and executed as provided in this section is prima facie evidence of the facts contained in it, is entitled to be recorded with the county recorder or registrar of titles, and operates as a release of the mortgage described in the certificate of release. The county recorder and the registrar of titles shall rely upon it to release the mortgage. Recording of a wrongful or erroneous certificate of release by a title insurance company or its agent shall not relieve the mortgagor, or the mortgagor's successors or assigns, from any personal liability on the loan or other obligations secured by the mortgage. In addition to any other remedy provided by law, a title insurance company wrongfully or erroneously recording a certificate of release under this section shall be liable to the mortgagee for actual damage sustained due to the recordings of the certificate of release.

Subd. 6. Recording. If a mortgage is recorded in more than one county and a certificate of release is recorded in one of them, a certified copy of the certificate of release may be recorded in another county with the same effect as the original. In all cases, the certificate of release shall be entered and indexed as satisfactions of mortgage are entered and indexed.

Subd. 7. Application. This section applies only to a mortgage in the original principal amount of \$500,000 or less.

History: 1994 c 447 s 1,2; 1996 c 338 art 1 s 13

507.41 PENALTY FOR FAILURE TO DISCHARGE.

When any mortgagee, mortgagee's personal representative or assignee, upon full performance of the conditions of the mortgage, shall fail to discharge the same within ten days after being thereto requested and after tender of the mortgagee's reasonable charges therefor, that mortgagee shall be liable to the mortgagor, the mortgagor's heirs or assigns, for all actual damages thereby occasioned; and a claim for such damages may be asserted in an action for discharge of the mortgage. If the defendant be not a resident of the state, such action may be maintained upon the expiration of 60 days after the conditions of the mortgage have been performed, without such previous request or tender.

History: (8235) RL s 3364; 1986 c 444

507.411 CORPORATE CHANGE: ASSIGNMENT, SATISFACTION, OR RELEASE.

When a change in the name or identity of a corporate mortgagee or assignee of the mortgage is caused by or results from a merger, consolidation, amendment to charter or articles of incorporation, or conversion of articles of incorporation or charter from federal to state, from state to federal, or from one form of entity to another, a mortgage assignment, satisfaction, or release that is otherwise recordable and that specifies in the body of the instrument the merger, consolidation, amendment, or conversion event causing the change in name or identity is in recordable form. The assignment, satisfaction, or release is entitled to be recorded in the office of the county recorder or filed with the registrar of titles, without further evidence of corporate merger, consolidation, amendment, or conversion. For purposes of assigning, satisfying, or releasing the mortgage, the assignment, satisfaction, or release is prima facie evidence of the facts stated in it with respect to the corporate merger, consolidation, amendment, or conversion, and the county recorder and the registrar of titles shall rely upon it to assign, satisfy, or release the mortgage.

History: 1991 c 4 s 1; 1991 c 144 s 2; 1993 c 6 s 1; 1995 c 92 s 1

507.412 SATISFACTION OR RELEASE BY FEWER THAN ALL MORTGAGEES.

A real estate mortgage securing an undivided debt owned by more than one mortgagee or assignee, including joint tenants, may be satisfied or released by an instrument executed by any one of the mortgagees or assigns unless the mortgage specifically states otherwise. The debt is presumed to be undivided unless the mortgage specifically states otherwise. This section does not affect the rights or liabilities of the holders of the debt secured by the mortgage as among themselves. Unless the mortgage specifically states otherwise, this section does not permit fewer than all of the holders of a mortgage to assign, amend, extend, or foreclose the mortgage, or to discharge the secured debt, as distinguished from satisfying or releasing the mortgage.

History: 1992 c 463 s 2

507.42 CERTAIN DEEDS VALIDATED.

All deeds for the conveyance of real estate made and executed by a personal representative of the estate of a deceased person, pursuant to the order of any court of this state exercising probate jurisdiction authorizing and directing the making and execution of such instrument, where the execution thereof was otherwise valid, and in which instrument the description of the property conveyed does not correspond with the description set forth in the order of the court authorizing and directing the making and execution of such instrument, the same are hereby validated and legalized, and such conveyances are hereby made valid as to the property described in the order of the court authorizing and directing the making and execution of such instrument.

History: 1975 c 347 s 9; 1995 c 189 s 8; 1996 c 277 s 1

507.45 RESIDENTIAL REAL ESTATE CLOSINGS.

Subdivision 1. By whom; fee authorized. Residential real estate closing services may be provided and a fee charged by a licensed attorney, real estate broker, real estate salesperson, and real estate closing agent.

Subd. 2. Notice of closing agent's fee. No charge for closing services, except a charge disclosed under Regulation Z, Code of Federal Regulations, title 12, section 226, and except a charge for which an estimate has been given pursuant to the Federal Real Estate Settlement Procedures Act, and regulations thereunder, may be made by a closing agent unless the party to be charged is informed of the charge in writing at least five business days before the closing by or on behalf of the party charging for the closing services.

Subd. 3. Requirements for real estate personnel. If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 10-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under appli-

cable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Subd. 4. Choice of closer; notice. (a) No real estate salesperson, broker, attorney, auctioneer, builder, title company, financial institution, or other person making a mortgage loan may require a person to use any particular licensed attorney, real estate broker, real estate salesperson, or real estate closing agent in connection with a residential real estate closing.

(b) All listing agreements must include a notice informing sellers of their rights under this subdivision. The notice must require the seller to indicate in writing whether it is acceptable to the seller to have the licensee arrange for closing services or whether the seller wishes to arrange for others to conduct the closing. The notice must also include the disclosure of any controlled business arrangement, as the term is defined in United States Code, title 12, section 1602, between the licensee and the real estate closing agent through which the licensee proposes to arrange closing services.

History: 1988 c 695 s 6; 1989 c 217 s 22; 1989 c 347 s 42; 1991 c 113 s 1; 1993 c 309 s 28