

HOUSE RESEARCH

Bill Summary

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Authors: Pugh and others

Subject: Manufactured homes

Analyst: Thomas R. Pender (651 296-1885)

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Overview

This bill deals with certificates of title for manufactured homes that are affixed to real estate. The bill responds to problems that have been causing some lenders to be unwilling to make loans on these properties.

Section

1 Manufactured home affixed to real property.

Subd. 1. Certificates surrendered for cancellation. Requires the manufacturer's certificate of origin or the certificate of title for a manufactured home to be surrendered to the department of public safety for cancellation if the home is affixed to real property and financed by a mortgage on the real property. When the document has been surrendered, the manufactured home is considered an improvement to real estate (treated as any other type of home). Requires the department of public safety to issue a notice of surrender, which may be recorded with the real estate records.

Subd. 2. Perfected security interest avoids cancellation. Makes purely technical changes in this existing provision.

Subd. 3. Notice of security interest avoids surrender. Provides that an owner of a manufactured home need not surrender the proof of ownership under subdivision 1 if there is a perfected security interest in the manufactured home at the time it is affixed to real estate. In that case, the owner must file a notice of that security interest with the county recorder or registrar of titles. Specifies what must be done when the security interest terminates.

Section

- 2** **Original signatures required.** Provides that notices filed with the real estate records under section 1 of this bill need not be acknowledged. (This means that any signature on it need not be notarized.)
- 3** **Effective date.** Makes the bill effective the day following final enactment.