

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes miscellaneous technical and minor substantive changes in real estate law.

- 1 Deed to correct title.** Makes technical update changes to a law dealing with review of corrective deeds by county attorneys. This existing law permits recording a corrective deed on real estate, if certified as a corrective deed by the county attorney, when unpaid taxes or assessments on the real estate would otherwise not permit a deed to be recorded without payment of the taxes and assessments. The term "unpaid" includes taxes and assessments payable in the current year, which are "due but not delinquent."
- 2 Effect of acknowledgment.** Makes technical changes in language stating the effect of a signature made in a representative capacity (for instance, on behalf of a corporation or partnership) when acknowledged by the signer in front of a notary public. This applies to deeds and other documents that require a notarized signature and makes this section of law consistent with section 358.48.
- 3 Cancellation with right to cure.** Clarifies that a reference to "the notice" is a reference to the only type of notice mentioned in this law, which is a notice that starts a cancellation of a real estate purchase agreement by either the buyer or seller.
- 4 Declaratory cancellation.** Makes the same clarification made in the preceding section. Provides that the notice of cancellation may be given even if the purchase agreement prohibits giving it. (A notice of cancellation is given by one party if the other party has not complied with the purchase agreement.)
- 5 Attorney as agent for service.** Provides that an attorney authorized to serve a notice of cancellation of a real estate purchase agreement for one party to the agreement may be served (on behalf of that party) by the other party with any responses, including a notice of cancellation by the other party. Makes technical changes in how these documents may be served.
- 6 12-month redemption period.** Adds reverse mortgage loans to a list of situations in which a mortgage foreclosure by advertisement is subject to a 12-month (instead of a six-month) redemption period. Current law does not clearly specify which redemption period applies to reverse mortgages, so a 12-month redemption period has been the safe choice for lenders under current law. (A reverse mortgage is a mortgage securing a loan in which the (usually elderly) homeowner receives monthly payments or a lump-sum payment from the lender, and the loan is repaid only when the property is sold, often after the death of the owner. A redemption period is the time after the foreclosure sale during which the owner can regain ownership by paying off the mortgage loan in full.)

7 **Effective date.** Makes sections 3 to 5 effective August 1, 2011. Makes section 6 effective the day following final enactment.