

Subject Mortgage foreclosure; online sales and private selling officers

Authors Curran and others

Analyst Mary Davis

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Overview

This bill allows a sheriff's sale during a foreclosure to be done by a private entity instead of the sheriff, and it allows the sale to occur online in addition to at a public auction, at the lender's discretion. The lender is responsible for the cost of using a private entity for the sale, or having the sale online, and cannot pass the costs on to the homeowner.

Summary

Section	Description
1	Remedies. Updates terms.
2	Exception to damage claim. Updates terms.
3	Requisites of notice. Updates the notice to include the possibility that the sale will occur online or be held by a private selling office, and updates the terms.
4	Content of foreclosure advice notice. Updates terms.
5	Content of notice of redemption rights. Updates terms.
6	Content of notice. Updates terms.

Section	Description
7	Sale, how and by whom made. Updates the ability to do a foreclosure sale from just the sheriff to the sheriff or a private entity and for the sale to be in person or also online.
8	Private selling officer appointment. Provides the terms and directions for a lender or bank who holds the mortgage to decide to use a private selling officer to do the sale. This section provides that a private selling officer must be: ▪ licensed as a real estate broker or salesperson under chapter 82, or ▪ licensed as an auctioneer under chapter 330, and ▪ either must have a license in good standing. This section requires the lender to be fully responsible for the costs and fees associated with the private seller or online sale and cannot in any way pass those on to the homeowner. This section also provides that the tasks to effectuate the foreclosure sale remain with the sheriff, so aside from conducting the sale, the private selling office has the sheriff do everything else associated with the sale. The private selling office has to provide to the sheriff all the details of the sale and a copy of the certificate of sale that is provided to the purchaser.
9	Postponement by mortgagee. Updates terms and requires sale information, and a rescheduled date of sale, to be published on the website for an online sale.
10	Postponement by mortgagor or owner. Updates terms.
11	Foreclosure of installment; sale; proceeds; redemption. Updates terms.
12	Private selling officer sale. Provides that a private selling officer shall turn over all proceeds and surplus funds to the sheriff where the property resides.
13	Mortgagee or assignee may purchase. Allows a lender to submit a maximum bid in advance of a sale to purchase the property.

Section	Description
14	Certificate of sale; record; effect. Updates terms.
15	Execution after expiration of term. Technical and conforming changes.
16	Certificate as evidence. Technical and conforming changes.
17	Six-month redemption period. Updates terms.
18	Redemption by creditor. Technical and conforming changes.
19	Request by sheriff or sale officer. Technical and conforming changes.
20	Online sales for foreclosure by advertisement. Provides that a private sale officer making a mortgage foreclosure sale (like a sheriff's sale) may conduct the sale online using a third-party online sales provider, and the sale shall occur simultaneously to an in-person sale if there is an in-person sale, and no fees can be charged to view the online sale or bid, and a sale that is only online must be open for bidding for at least 24 hours. This section also allows sheriff's offices to do the sale online so long as the lender pays for the cost of the online sale. This section provides requirements for collecting the funds after the sale, online bidding, identity verification for bidding online, and online sales security and platform controls. This section allows for advertisements but requires any costs be paid by the private selling officers.
21	Allowable costs collectable upon redemption. Conforming and technical changes.
22	Affidavit of allowable costs. Updates terms.
23	Limited right of entry; duty to enter and protect premises. Updates terms.

Section	Description
24	Summons and complaint. Updates terms.
25	Order to show cause. Updates terms.
26	Hearing; evidence; order. Updates terms.
27	Costs. Updates terms.
28	Homestead designation notice. Updates a notice to the homeowner about the foreclosure to include the potential for a private selling officer.
29	Designation of separate tracts. Technical and conforming changes.
30	Sale of property. Technical and conforming changes.
31	Mortgages; validating foreclosure sales. Technical and conforming changes to allow for a private sale officer to complete a foreclosure sale.
32	Effective date. Provides that all of the sections in the bill would be effective on August 1, 2026, and would apply to foreclosures that are started on or after that date.



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