

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2822

(SENATE AUTHORS: DUCKWORTH, Klein and Pratt)

DATE
03/20/2025

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Introduction and first reading
 Referred to Commerce and Consumer Protection
 See First Special Session, HF4

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to financial institutions; modifying notice requirements for conventional
 1.3 loan mortgage documents; amending Minnesota Statutes 2024, section 47.20,
 1.4 subdivision 8.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 47.20, subdivision 8, is amended to read:

1.7 Subd. 8. **Conventional loan provisions.** (a) A lender making a conventional loan shall
 1.8 comply with the following:

1.9 (1) the promissory note and mortgage evidencing a conventional loan shall be printed
 1.10 in not less than the equivalent of 8-point type, .075 inch computer type, or elite-size
 1.11 typewritten numerals, or shall be legibly handwritten;

1.12 (2) the mortgage evidencing a conventional loan shall contain a provision whereby the
 1.13 lender agrees to furnish the borrower with a conformed copy of the promissory note and
 1.14 mortgage at the time they are executed or within a reasonable time after recordation of the
 1.15 mortgage; and

1.16 (3) the mortgage evidencing a conventional loan shall contain a provision whereby the
 1.17 lender, if it intends to foreclose, agrees to give the borrower written notice of any default
 1.18 under the terms or conditions of the promissory note or mortgage, by sending the notice by
 1.19 ~~certified~~ (i) first-class mail to the address of the mortgaged property or such other a different
 1.20 address as the borrower may have designated designates in writing to the lender; or (ii)
 1.21 email or other electronic communication, if agreed to by the lender and the borrower in
 1.22 writing. The lender need not give the borrower the notice required by this ~~paragraph~~ clause

2.1 if the default consists of the borrower selling the mortgaged property without the required
2.2 consent of the lender.

2.3 (b) The mortgage shall further provide that the notice under paragraph (a), clause (3),
2.4 shall contain the following provisions:

2.5 ~~(a)~~ (1) the nature of the default by the borrower;

2.6 ~~(b)~~ (2) the action required to cure the default;

2.7 ~~(c)~~ (3) a date, not less than 30 days from the date the notice is mailed by which the
2.8 default must be cured;

2.9 ~~(d)~~ (4) that failure to cure the default on or before the date specified in the notice may
2.10 result in acceleration of the sums secured by the mortgage and sale of the mortgaged
2.11 premises;

2.12 ~~(e)~~ (5) that the borrower has the right to reinstate the mortgage after acceleration; and

2.13 ~~(f)~~ (6) that the borrower has the right to bring a court action to assert the nonexistence
2.14 of a default or any other defense of the borrower to acceleration and sale.

2.15 Sec. 2. **CERTAIN COMPLIANCE OPTIONAL.**

2.16 A lender's compliance with Minnesota Statutes, section 47.20, subdivision 8, is optional
2.17 with respect to conventional loan mortgage documents dated between August 1, 2024, and
2.18 July 31, 2025.

2.19 **EFFECTIVE DATE.** This section is effective retroactively from July 31, 2024.