

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1962

(SENATE AUTHORS: PAPPAS)		
DATE	D-PG	OFFICIAL STATUS
02/27/2025	567	Introduction and first reading
		Referred to Commerce and Consumer Protection
03/06/2025	676	Withdrawn and re-referred to Judiciary and Public Safety

1.1

A bill for an act

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relating to real property; limiting due-on-sale clauses in certain instances; providing

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a private right of action; amending Minnesota Statutes 2024, section 58.13, by

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adding a subdivision.

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

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Section 1. Minnesota Statutes 2024, section 58.13, is amended by adding a subdivision

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to read:

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Subd. 3. Due-on-sale clauses; limitation. (a) With respect to a loan secured by residential

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real estate, a lender is prohibited from exercising a due-on-sale clause with respect to the

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following:

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(1) a transfer-on-death deed that conveys or assigns the deceased borrower's interest in

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the residential real estate to a grantee beneficiary;

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(2) a transfer by devise, decent, or operation of law upon a joint tenant's death;

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(3) a transfer by which the borrower's spouse or children become an owner of the

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residential real estate;

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(4) a transfer resulting from a dissolution of marriage decree, legal separation agreement,

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or incidental property settlement agreement by which the borrower's spouse becomes an

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owner of the residential real estate; or

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(5) a transfer into an inter vivos trust by which the borrower is and remains a beneficiary,

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and that does not relate to a transfer of occupancy rights in the residential real estate.

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(b) Paragraph (a) does not apply to a reverse mortgage made under section 47.58.

- 2.1 (c) Notwithstanding section 58.18, subdivision 4, a person aggrieved by a violation of
2.2 this subdivision has a private right of action for equitable relief, reasonable attorney fees,
2.3 and costs.