

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

IN THE MATTER OF THE PROPOSED)
ADOPTION AND AMENDMENT OF FORMS)
RELATING TO MINNESOTA UNIFORM)
CONVEYANCING BLANKS PURSUANT TO)
MINN. STAT. CHAPTER 507)

STATEMENT OF NEED
AND REASONABLENESS

Commissioner of Commerce Michael A. Hatch ("Commissioner") presents herein his statement of the need for and reasonableness of the adoption of proposed forms and the amendment of existing forms relating to Minn. Stat. Chapter 507 (1985).

Since 1976, the Uniform Conveyancing Blank Advisory Task Force under the authority of the Commissioner, (Minn. Stat. § 507.09 (1984)), has worked to update the uniform conveyancing blanks adopted for use in Minnesota. The principle goals of the task force have been to review and revise the forms where appropriate using a modern format. The new format includes changes in the forms which are necessary and reasonable to provide the public, the real estate industry and the bar with modern, useful forms.

The format is designed for easier handling by the county recorder's offices and legal secretaries with larger areas for recording data, one-side forms reduced from legal size (in most cases) to letter size, and more room for legal descriptions. The language in the forms has been revised to make the forms simpler and easier to understand. In addition changes in the forms are made to reflect statutory changes. The proposed amendments to current forms is necessary to update forms which have not been revised for some time and must conform to recently revised forms. The new forms are proposed for adoption to provide form which are needed due to statutory changes where no form currently exists.

The following forms are submitted as revisions of current forms:

1. Form No. 41-M, Mortgage by Individual: Form 41-M was revised adopting the new format for forms. The text has been simplified similar to 41½ and 42½-M.

2. Form No. 43-M, Mortgage by Corporation or Partnership: Same comments as Form No. 41-M.

3. Form No. 50-M, Satisfaction of Mortgage by Individual: The size of the form was increased from two-sided 8½" x 7" to one-sided 8½" x 11". The format was revised. The language in the first paragraph was simplified.

4. Form No. 51-M, Satisfaction of Mortgage by Corporation or Partnership: Same comments as Form No. 50-M.

5. Form No. 52-M, Partial Release of Mortgage by Individual: The form was initially two-sided legal size which has been amended to comply with the revised format. Extraneous language has been removed on the form is now one-sided.

6. Form No. 53-M, Partial Release of Mortgage by Corporation: Same comments as Form 52-M.

The following new forms are proposed for adoption. The forms were made necessary by adoption of new provisions of Minn. Stat. Chapter 523, dealing with Powers of Attorney, by Laws of Minnesota 1984, Chapter 603. In addition the forms compliment Form 63½-M, Power of Attorney to Convey Real Estate, adopted previously by the Task Force. The forms are as follows:

1. Form No. 121-M, Revocation of Power of Attorney: This form is proposed pursuant to Minn. Stat. § 523.11, subd. 2 (1984). The form is needed to provide a readily available and recordable document for the revocation of a power of attorney relating to real property.

2. Form No. 122-M, Affidavit by an Initial Transferee, by Individual:
The form is proposed pursuant to Minn. Stat. § 523.11, subd. 4 (1984).
The form requires the initial transferee of real property to affirm
that he has no knowledge of a revocation of the power of attorney,
exercised by the principal's attorney in fact.

3. Form No. 123-M, Affidavit by an Initial Transferee, by Corporation
or Partnership: Comments same as paragraph 2 relating to the reasons
for the adoption of Form No. 122-M.

4. Form No. 124-M, Affidavit of Authority of Successor Attorney-in-
-Fact: The form is necessary and recommended for use pursuant to Minn.
Stat. § 523.16 (1984). The form provided a recordable form giving
notice of transfer of the Power of Attorney to convey real property.

Finally the Lien Waiver form is revised as follows: Form No.
120-M, Lien Waiver: Formerly Form No. 1031, the form retains its
same size. The form provides reasonable manner to clearly indicate
the type of payment made and extent of the waiver given. The document
is now one-sided instead of two-sided. The form is needed to allow
a lien holder to protect their interest.

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SUPPLEMENT

This supplement is made part of the Statement of Need and Reasonableness in compliance with Minn. Stat. § 14.115, Small Business considerations in Rulemaking. The proposed rules are necessary to provide the public with general forms which may be recorded to evidence a conveyance of an interest in real property.

As such, the rules will not have a direct impact on small businesses. Consequently it will not be necessary for the Department of Commerce to impliment any methods for reducing the impact of the rule on small business in Minnesota.