

## Minnesota Law regarding Foreclosures

### RIGHTS OF TENANTS IN FORECLOSED PROPERTIES

*Chapter 315 (HF 3259)*

*Amends Minn. Stat. § 504B.285, subd. 1*

*Adds Minn. Stat. § 504B.285, subds. 1a, 1b, and 1c*

*Effective August 1, 2010*

Meshes existing state law with the recently enacted Federal Protecting Tenants in Foreclosure Act of 2009 to ensure Minnesota tenants are provided with the maximum legal protections.

#### A. Tenancies Ending On or Before Expiration of Redemption Period

- Extends federal protections requiring the immediate successor in interest to provide at least 90 days' written notice to vacate, beginning on the last day of the redemption period and effective no earlier than 90 days later;
- Requires the tenant to pay the rent and abide by all terms of the lease; and
- Covers evictions commenced on or before December 31, 2012.  
*Adds Minn. Stat. § 504B.285, subds. 1a(a)*

#### B. Tenancies Extending Beyond the Expiration of Redemption Period

- Extends federal protections entitling a tenant with a "bona fide lease" to remain in possession until the expiration of the lease, provided the tenant pays the rent and abides by all terms of the lease;
- Defines "bona fide lease" to mean: (1) the tenant must be other than a child, spouse, or parent of the mortgagor; (2) the lease transaction must be arms length; and (3) the rent must not be: (i) either subject to a federal, state; or local subsidy; or (ii) lower than fair market rent;
- Adopts federal exception where either an immediate successor in interest or an immediate subsequent bona fide purchaser will occupy the unit as the primary residence. Requires in that case the immediate successor in interest to provide at least 90 days' written notice to vacate, beginning on the last day of the redemption period and effective no earlier than 90 days later; and
- Covers evictions commenced on or before December 31, 2012.  
*Adds Minn. Stat. § 504B.285, subds. 1a(b)*

#### C. Section 8 Tenancies Extending Beyond the Expiration of Redemption Period

- Extends federal protections entitling a Section 8 tenant to remain in possession until the expiration of the lease, provided the tenant pays the rent and abides by all terms of the lease;
- Adopts federal exception where an immediate successor in interest will occupy the unit as the primary residence. Requires in that case the immediate successor in interest to provide at least 90 days' written notice to vacate, beginning on the last day of the redemption period and effective no earlier than 90 days later;

- Covers evictions commenced on or before December 31, 2012.  
*Adds Minn. Stat. § 504B.285, subs. 1a(c)*

#### D. Tenancies in Properties Subject to Contracts for Deed

Retains current requirements for notice.

*Adds Minn. Stat. § 504B.285, subs. 1b*

#### E. Eviction Occurring On or After January 1, 2013

Reverts to existing state law requiring tenants holding over after expiration of the redemption period or the period of cancellation of a contract for deed to receive either:

- at least two months' written notice to vacate no sooner than one month after the expiration of the time for termination, provided that the tenant pays the rent and abides by all terms of the lease; or
- at least two months' written notice to vacate no later than the date of the expiration of the time for termination, if the sender holds the tenant harmless for breaching the lease by vacating the premises if the contract is reinstated.

*Adds Minn. Stat. § 504B.285, subs. 1c*