

1.1 A bill for an act

1.2 relating to real property; establishing a statute of limitations for actions to enforce
1.3 notes secured by junior liens on foreclosed residential property; proposing coding
1.4 for new law in Minnesota Statutes, chapter 541.

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

1.6 Section 1. **[541.031] ENFORCEMENT OF PROMISSORY NOTE SECURED**
1.7 **BY JUNIOR LIEN.**

1.8 This section applies to real property that is improved with one to four family
1.9 dwelling units, one of which the owner occupies as the owner's principal place of
1.10 residency. If the first mortgage on the real property is foreclosed, an action to enforce a
1.11 promissory note that is secured by a mortgage that is a junior lien on the real property
1.12 must be commenced within one year after expiration of the redemption period from
1.13 foreclosure of the first mortgage.

1.14 Sec. 2. **EFFECTIVE DATE; APPLICATION.**

1.15 (a) Section 1 is effective June 1, 2010, and applies to actions where the applicable
1.16 redemption period expires before, on, or after that date.

1.17 (b) Notwithstanding paragraph (a), if the redemption period expired before June
1.18 1, 2010, an action may be commenced before June 1, 2011, or within six years after
1.19 expiration of the redemption period, whichever is earlier.