

HOUSE RESEARCH

Bill Summary

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Section

1 MFIP. Extends MFIP benefits beyond the current 60 month limit until July 1, 2011.

2 Restriction on residential lease terms for buildings in financial distress; required notice of pending foreclosure; rights of tenants of foreclosed property.

Subd. 1. Limitation on lease and notice to tenant. Requires a landlord entering into a lease of property that is being foreclosed to inform the prospective tenant that the tenant has the right to receive continued utility service if the landlord fails to pay utility charges during the foreclosure process.

Subd. 2. Exception allowing a longer lease term. Makes a technical change.

Subd. 3. No changes to current law.

Subd. 4. No changes to current law.

Subd. 5. Rights of tenant of foreclosed property. Specifies the legal relationship of a tenant and a "holder" who takes over a rental property as a result of a foreclosure. Requires the "holder" to maintain the property as rental property, offer renewal leases, and keep affordable rents in place.

Subd. 6. Eviction. Prohibits a holder from beginning eviction of a tenant without "cause," notwithstanding any other law to the contrary. Specifies what "cause" is.

Subd. 7. Termination of tenancy. Prohibits termination of a tenancy without "cause," which includes violations of the lease.

Subd. 8. Periodic leases. Requires the holder to offer a fixed term lease to a tenant who had a periodic lease under the pre-foreclosure owner.

Subd. 9. Applicability. Says subdivisions 5 to 8 apply to all tenants regardless of

when the lease started or at what stage of foreclosure.

3 Foreclosure moratorium.

Subd. 1. Emergency declared to exist. Declares a public emergency due to the increase in foreclosures and the resulting housing crisis, which justifies a foreclosure moratorium.

Subd. 2. Court stay. Requires a court to grant a request from a borrower or a tenant that a foreclosure be halted for two years. Allows the court to impose certain conditions that the occupant must meet.

Subd. 3. Maintenance of stay. Says what a borrower or tenant must do to keep the stay in effect.

Subd. 4. Dissolution of stay. Says what would justify a court in dissolving the stay.

Subd. 5. Application. Makes this section apply only to mortgages signed before the effective date of this section.

4 Job creation grant program. Creates a job creation grant program.

5 State employee layoffs. Prohibits state employee layoffs for the 2010-2011 biennium. This includes the University of Minnesota.