

# Legislative Response to Surge in Foreclosures

Brian S. McCool  
Fredrikson & Byron, P.A.  
(612) 492-7309  
bmccool@fredlaw.com

# I. Minnesota Legislature

- Minnesota Subprime Foreclosure Deferment Act of 2008
  - Companion bills in House and Senate
  - Allows subprime borrowers to obtain up to one-year deferment of foreclosure sale

- Proof of Abandonment for Five Week Redemption
  - SF 2918
  - Passed and signed by Governor Pawlenty on 4/4/08
  - Simplifies process for proving abandonment

- Modification of Foreclosure Provisions
  - Companion bills in House and Senate
  - Senate approved bill and sent to House
  - Makes several modifications to foreclosure procedure

- Modification of Reinstatement Rights
  - Companion bills in House and Senate
  - Primarily revise Minn. Stat. § 580.30
  - Requires mortgagor to pay only outstanding principal and interest payments to reinstate mortgage

# II. Congress

- Foreclosure Prevention Act
  - Senate's bill – (S.2636)
  - Approved by Senate on 4/10/08
  - Key features
  - Widely criticized as doing little for homeowners

- FHA Housing Stabilization and Homeownership Retention Act
  - House of Representatives' bill – (H.R. 5830)
  - Still in committee
  - Key Features (as proposed currently)

- Neighborhood Stabilization Act of 2008
  - House of Representatives' bill – (H.R. 5818)
  - Still in committee
  - Key features