

CHAPTER 211—H.F.No. 2828

An act relating to real property; clarifying requirements for an instrument intended to secure debt; amending Minnesota Statutes 2008, section 287.03.

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

Section 1. Minnesota Statutes 2008, section 287.03, is amended to read:

287.03 INSTRUMENTS VALID SECURITY FOR DEBT.

No instrument, other than a decree of marriage dissolution or an instrument made pursuant to it, relating to real estate ~~shall be valid~~ may be enforced as security for any debt, unless the fact that it is so intended and the initial known amount of the debt are is expressed in it. Except as provided in section 287.05, an instrument may not be enforced as security for a debt amount in excess of: (1) the initial known amount of the debt expressed in the instrument if the instrument secures that entire debt amount; or (2) the portion of the initial known amount of the debt expressed in the instrument if the instrument secures only a portion of that debt amount.

EFFECTIVE DATE. This section is effective July 1, 2010, and applies to any instrument executed or recorded before, on, or after that date.

Sec. 2. APPLICATION.

Section 1 shall not affect any action, case, or proceeding commenced before the effective date of section 1 in any court in this state, provided a notice of lis pendens of the action is recorded with the county recorder or registrar of titles before the effective date of section 1.

EFFECTIVE DATE. This section is effective the day following final enactment.

Presented to the governor March 29, 2010

Signed by the governor April 1, 2010, 10:15 a.m.