OLD REPUBLIC
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To: ALTA State Legislative and Regulatory Committee November 21, 2002

Fm: Jack R. Zachow

Re: 2002 SLRAC Report

It's been a quiet year in Lake …… That familiar refrain reflects Minnesota's 2002 legislative session, at least with regard to real estate and title insurance issues. Bills may be viewed at the state's legislative website at http://www.leg.state.mn.us/leg/legis.htm

Three Chapters merit mention this year:

Chapter 342: Financial Institutions
Regulates (deletes) the prepayment penalty currently found in Minn. Stat. Sec. 47.20, Subd. 5 and prohibits residential mortgage originators (both in and outside of the state) from charging prepayment penalties in various circumstances and requires such originators to provide prospective borrowers with written disclosure of the terms of the prepayment penalty. Also regulates interest rates and prohibits residential lenders from including in the principle any portion of any lender fees in excess of five per cent of the loan. Various sections exclude variously identified loans, including "federally related loans", HUD/ VA/FHA, etc. Refer to S.F. 2988 when searching the legislative website for a complete copy. Effective: August 1, 2002 and January 1, 2003 (Section 8).

Chapter 365: Real Estate-Recording and Filing Documents (Refer to S.F. 2707)
Imposes a 50-cent surcharge on the filing or memorializing of any (Torrens) instruments in the office of the Registrar of Titles, for funding the electronic real estate recording task force, whose term has been extended to June 30, 2004. Effective July 1, 2002.

Chapter 403: Real Estate (Refer to H.F. 2780)
Section 2 regulates attorneys' liens and their enforcement. In no event may such a lien be asserted more than three years after filing. (Effective August 1, 2002). Section 4 allows for filing of documents not written in English if they are otherwise recordable and have appended to them a Certificate of Translation (sample form provided). Effective August 1, 2002. Section 5 provides a form Affidavit of Custodian for use in custodial transfers under Minn. Stat. Chapter 527 (Uniform Transfers to Minors Act). Effective August 1,

2002. Section 7 (effective May 23, 2002) repealed the sunset of Minn. Stat. Sec. 514.99 nonconsensual common law liens.