
2015 Annual Foreclosures in Minnesota:

A Report Based on County Sheriff's Sale Data

February 23, 2016

Published by:



About the Minnesota Homeownership Center

Recognized nationally as a model of homeownership and foreclosure prevention programming, the Minnesota Homeownership Center convenes a network of 40 community-based nonprofit, government and tribal organizations to deliver homeownership education and foreclosure prevention services to low- and moderate-income households throughout Minnesota.

Learn more at www.hocmn.org.

Table of Contents

Minnesota Foreclosure Figures 1

Figure 1: Eleven-year history of Minnesota Foreclosures 1

Figure 2: MN County Foreclosure Counts, 2014 -2015 (sorted by county) 2

Figure 3: MN County Foreclosure Rates, 2014 -2015 (sorted by county) 4

Figure 4: Counties with Highest Foreclosure Rates 4

Figure 5: Counties with Highest Foreclosure Counts 4

Study Purpose and Objectives 6

Methodology 7

Overview of the foreclosure process 7

Sheriff’s Sale Records 8

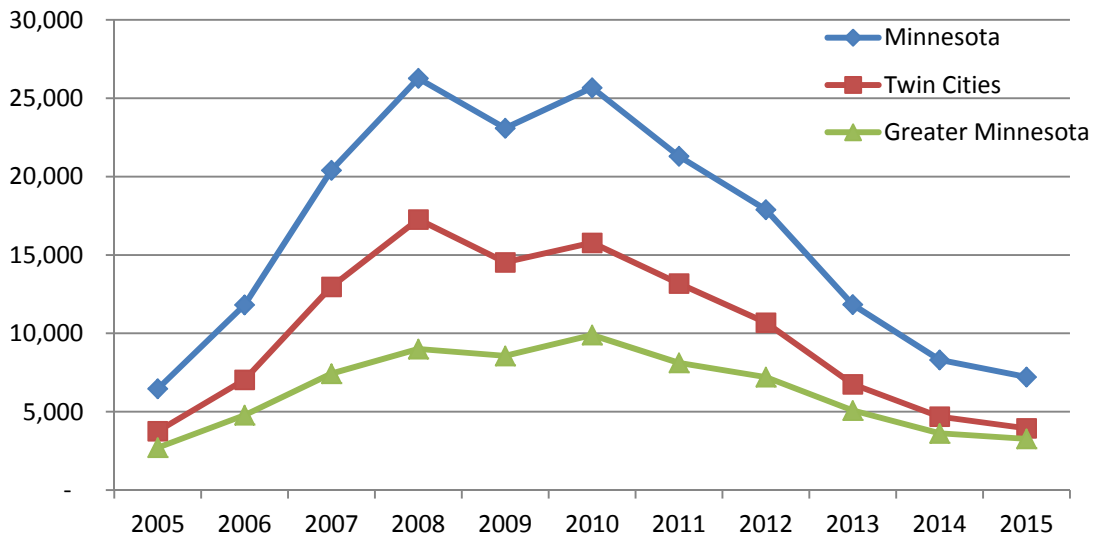
Data Collection 8

Foreclosure Rate Metric 8

Eleven Year History of Minnesota Foreclosures

There were 7,212 foreclosures in Minnesota in 2015. This number is 13 percent less than the same period of 2014, with a 16 percent decline seen in the Twin Cities metro area and slightly less decline in Greater MN (down 10 percent).

Figure 1



The following pages contain figures detailing Minnesota foreclosures. This includes:

<i>2014 – 2015 Foreclosure Counts Data</i>	Table detailing foreclosure counts from 2014 to 2015, sorted by county and highlighting top ten counties with the largest 2015 total.	Pages 2 - 3
<i>2014 – 2015 Foreclosure Rates Data</i>	Table detailing foreclosure rates from 2014 to 2015, sorted by county and highlighting the top ten counties with the highest 2015 rate.	Pages 4 - 5

More Minnesota foreclosure information and historical data can be found online at www.hocmn.org

Figure 2: MN County Foreclosure Counts, 2014-2015 (Sorted by county)

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2014 Total	2015 Total	2014 to 2015 % Change
Twin Cities Metro	1,180	957	913	893	4,689	3,943	-16%
Greater Minnesota	978	822	747	722	3,624	3,269	-10%
Minnesota	2,158	1,779	1,660	1,615	8,313	7,212	-13%
Aitkin	11	7	9	7	27	34	26%
Anoka (3)	187	147	132	116	701	582	-17%
Becker	9	6	3	9	31	27	-13%
Beltrami	12	2	10	1	49	25	-49%
Benton	16	12	15	11	53	54	2%
Big Stone	0	2	2	0	5	4	-20%
Blue Earth	16	16	10	11	72	53	-26%
Brown	12	8	6	2	21	28	33%
Carlton	17	24	14	18	73	73	0%
Carver	24	24	20	13	110	81	-26%
Cass	10	11	12	12	61	45	-26%
Chippewa	8	5	6	6	22	25	14%
Chisago	27	33	26	20	143	106	-26%
Clay	9	10	5	9	43	33	-23%
Clearwater	2	1	2	0	8	5	-38%
Cook	5	1	2	0	7	8	14%
Cottonwood	3	4	4	3	16	14	-13%
Crow Wing	41	24	36	28	134	129	-4%
Dakota (4)	164	123	135	133	680	555	-18%
Dodge	4	7	10	9	23	30	30%
Douglas	8	9	12	7	44	36	-18%
Faribault	5	7	6	9	21	27	29%
Fillmore	2	4	6	2	26	14	-46%
Freeborn	15	15	12	14	60	56	-7%
Goodhue	20	13	15	15	68	63	-7%
Grant	4	3	0	2	10	9	-10%
Hennepin (1)	443	362	349	345	1,751	1,499	-14%
Houston	4	0	3	1	10	8	-20%
Hubbard	9	6	9	3	34	27	-21%
Isanti	40	28	24	21	117	113	-3%
Itasca	27	23	14	15	74	79	7%
Jackson	3	2	1	3	6	9	50%
Kanabec	16	12	5	9	46	42	-9%
Kandiyohi	14	20	14	8	50	56	12%
Kittson	0	1	0	1	0	2	--
Koochiching	7	2	10	1	20	20	0%
Lac qui Parle	0	1	0	0	6	1	-83%
Lake	6	7	4	7	17	24	41%
Lake of the Woods	2	1	0	1	4	4	0%

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2014 Total	2015 Total	2014 to 2015 % Change
Le Sueur	17	10	7	6	47	40	-15%
Lincoln	1	1	2	1	4	5	25%
Lyon	2	7	3	7	20	19	-5%
Mahnomen	0	2	3	2	4	7	75%
Marshall	1	4	1	0	5	6	20%
Martin	6	5	4	5	28	20	-29%
McLeod	23	14	12	8	75	57	-24%
Meeker	14	7	2	5	51	28	-45%
Mille Lacs	15	23	15	11	78	64	-18%
Morrison	9	16	11	10	50	46	-8%
Mower	22	16	15	15	74	68	-8%
Murray	0	0	1	1	5	2	-60%
Nicollet	5	6	9	4	24	24	0%
Nobles	3	1	1	7	5	12	140%
Norman	1	1	1	1	6	4	-33%
Olmsted	46	44	21	29	160	140	-13%
Otter Tail	18	12	5	18	69	53	-23%
Pennington	0	0	0	0	8	0	-100%
Pine	16	14	16	22	78	68	-13%
Pipestone	2	2	2	5	12	11	-8%
Polk	3	4	5	3	15	15	0%
Pope	4	3	3	1	15	11	-27%
Ramsey (2)	198	183	146	178	828	705	-15%
Red Lake	0	0	0	0	2	0	-100%
Redwood	5	2	7	6	7	20	186%
Renville	7	8	4	4	22	23	5%
Rice	34	20	14	22	118	90	-24%
Rock	1	3	2	1	6	7	17%
Roseau	3	5	4	2	16	14	-13%
Saint Louis (6)	86	63	67	83	324	299	-8%
Scott (8)	62	38	46	49	224	195	-13%
Sherburne (9)	54	42	38	47	211	181	-14%
Sibley	8	2	5	5	22	20	-9%
Stearns (10)	44	42	50	45	168	181	8%
Steele	20	17	18	6	54	61	13%
Stevens	2	2	2	2	11	8	-27%
Swift	3	1	1	0	15	5	-67%
Todd	4	9	2	7	41	22	-46%
Traverse	0	1	1	0	2	2	0%
Wabasha	14	7	11	5	29	37	28%
Wadena	5	2	1	6	20	14	-30%
Waseca	8	11	8	11	27	38	41%
Washington (5)	102	80	85	59	395	326	-17%
Watonwan	4	3	3	4	7	14	100%
Wilkin	1	2	0	0	3	3	0%
Winona	12	7	11	4	39	34	-13%
Wright (7)	70	52	48	35	240	205	-15%
Yellow Medicine	1	2	4	1	6	8	33%

Figure 3: MN County Foreclosure Rates, 2014-2015 (Sorted by county)

	2014 Rate	2015 Rate
Twin Cities Metro	0.51 %	0.43 %
Greater Minnesota	0.41	0.37
Minnesota	0.46	0.40
Aitkin	0.36	0.45
Anoka	0.64	0.53
Becker	0.25	0.21
Beltrami	0.38	0.20
Benton	0.46	0.47
Big Stone	0.19	0.15
Blue Earth	0.38	0.28
Brown	0.21	0.28
Carlton	0.59	0.59
Carver	0.36	0.27
Cass	0.53	0.39
Chippewa	0.42	0.48
Chisago	0.78	0.58
Clay	0.24	0.18
Clearwater	0.23	0.15
Cook	0.36	0.41
Cottonwood	0.30	0.26
Crow Wing	0.54	0.52
Dakota	0.52	0.43
Dodge	0.33	0.43
Douglas	0.31	0.25
Faribault	0.32	0.41
Fillmore	0.29	0.16
Freeborn	0.44	0.41
Goodhue	0.40	0.37
Grant	0.35	0.32
Hennepin	0.46	0.39
Houston	0.13	0.11
Hubbard	0.41	0.33
Isanti	0.87	0.84
Itasca	0.41	0.44
Jackson	0.13	0.19
Kanabec	0.74	0.67
Kandiyohi	0.32	0.36
Kittson	0.00	0.08
Koochiching	0.36	0.36
Lac qui Parle	0.17	0.03
Lake	0.34	0.48
Lake of the Woods	0.22	0.22

Figure 4:

Counties with Highest Foreclosure Rates

Rank	County	Foreclosure Rate 2015
1	Isanti	0.84%
2	Mille Lacs	0.71%
3	Kanabec	0.67%
4	Sherburne	0.63%
5	Pine	0.63%
6	Carlton	0.59%
7	Chisago	0.58%
8	Waseca	0.55%
9	Anoka	0.53%
10	Crow Wing	0.52%

Figure 5:

Counties with Highest Foreclosure Counts

Rank	County	Foreclosure Count 2015
1	Hennepin	1,499
2	Ramsey	705
3	Anoka	582
4	Dakota	555
5	Washington	326
6	Saint Louis	299
7	Wright	205
8	Scott	195
9	Sherburne	181
10	Stearns	181

	2014 Rate	2015 Rate
Le Sueur	0.44 %	0.38 %
Lincoln	0.13	0.17
Lyon	0.23	0.22
Mahnomen	0.23	0.40
Marshall	0.10	0.12
Martin	0.32	0.23
McLeod	0.59	0.45
Meeker	0.57	0.31
Mille Lacs	0.86	0.71
Morrison	0.39	0.36
Mower	0.55	0.51
Murray	0.12	0.05
Nicollet	0.24	0.24
Nobles	0.07	0.16
Norman	0.17	0.12
Olmsted	0.32	0.28
Otter Tail	0.28	0.22
Pennington	0.16	0.00
Pine	0.72	0.63
Pipestone	0.29	0.26
Polk	0.12	0.12
Pope	0.30	0.22
Ramsey	0.57	0.48
Red Lake	0.11	0.00
Redwood	0.11	0.30
Renville	0.33	0.34
Rice	0.61	0.46
Rock	0.15	0.17
Roseau	0.27	0.23
Saint Louis	0.43	0.40
Scott	0.52	0.45
Sherburne	0.74	0.63
Sibley	0.37	0.34
Stearns	0.37	0.40
Steele	0.43	0.49
Stevens	0.30	0.21
Swift	0.33	0.11
Todd	0.42	0.22
Traverse	0.10	0.10
Wabasha	0.34	0.43
Wadena	0.37	0.26
Waseca	0.39	0.55
Washington	0.48	0.40
Watonwan	0.16	0.32
Wilkin	0.10	0.10
Winona	0.24	0.21
Wright	0.57	0.49
Yellow Medicine	0.13	0.17

Purpose and Objectives

This report provides policymakers and other community leaders with updated Minnesota foreclosure data as they design solutions to address foreclosures and their impact on Minnesota communities.

This report is part of the Foreclosures in Minnesota: A Report Based on County Sheriff's Sale Data series, in which comparable reports have been released annually since 2007 and semi-annually since 2009.

Key updated foreclosure data included in this report are as follows:

- **Updated foreclosure counts for all Minnesota counties** including the Twin Cities seven-county metro and Greater Minnesota to reflect actual foreclosures in 2015.
- **Updated foreclosure rates for all Minnesota counties** in 2015.¹ The calculation of foreclosure rates makes it possible to compare the relative impact of foreclosure on areas with different population sizes.
- **2012 Parcel Counts on which to base rate calculations.** Residential parcel counts by county are provided by the Minnesota Department of Revenue².
- **This report does not include a foreclosure projection.** Reports issued prior to 2009 included a foreclosure projection. These projections were based solely on recent foreclosure trends with the assumption that the same patterns would continue into the upcoming year. Due to continuing uncertainty about future economic conditions, this report does not include a projection.

Some factors that may contribute to foreclosures include but are not limited to: unstable economic conditions; increasing unemployment rates; falling housing prices; rising numbers of mortgage delinquencies; and resetting or recasting adjustable rate mortgages. Conversely, more active intervention and loss mitigation activities on the part of counselors and lenders help to reduce the number of foreclosures.

¹ Releases of Foreclosures in Minnesota: A Report Based on County Sheriff's Sale Data prior to August 2009 release used household estimates to calculate the foreclosure rate. As of the August 2009 report, residential parcels have been used to calculate foreclosure rate. See *Foreclosure Rate Metric* for more information.

² For purposes of this report, residential parcel data includes property types "Residential," "Apartment," "Farm with Buildings, >35 Acres," and "Farm with Buildings, <35 acres."

Methodology

To help understand the methods used in this report, it is important to outline Minnesota's foreclosure timeline. Data is collected throughout the process, much of which is useful for analyzing the characteristics of those mortgages and properties that have defaulted.

Overview of the Foreclosure Process

There are two types of foreclosure processes in Minnesota:

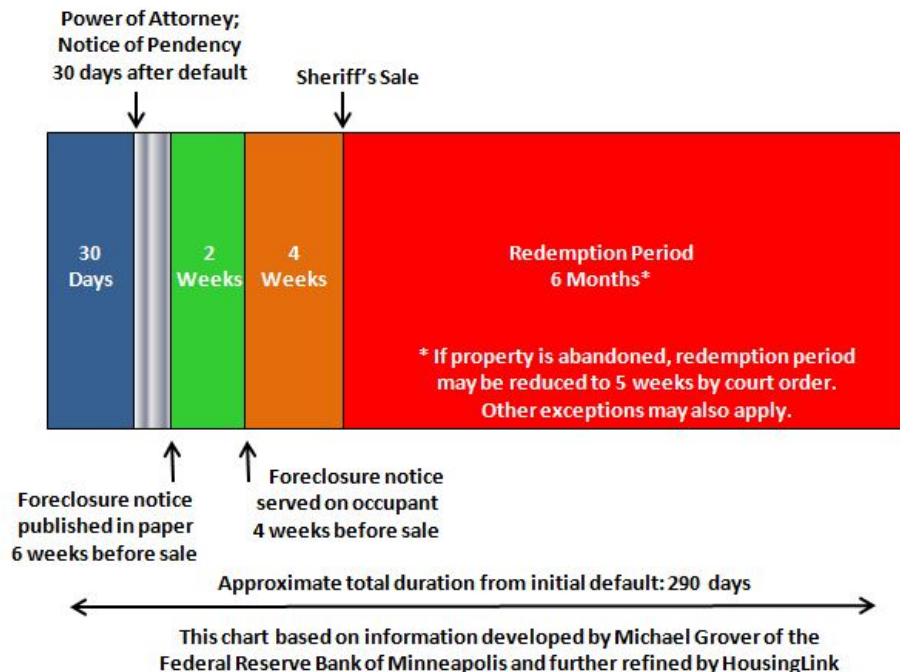
- 1) *Judicial Foreclosure*, which is conducted like any other form of civil lawsuit.
- 2) *Foreclosure by Advertisement*, which is a type of non-judicial foreclosure.

Since most of Minnesota foreclosures occur by advertisement, that process is described in detail below.

Foreclosure by Advertisement:

Foreclosures in Minnesota take place at the county level and are regulated, for the most part, by state legislation. The foreclosure process can start as early as 30 days after a borrower first misses a mortgage payment. Once the mortgage is in delinquency, the lender empowers an attorney who files notice of pendency against the occupant, starting the foreclosure process.

Sample Foreclosure by Advertisement Action Timeline on a Mortgage



Shortly thereafter, the attorney publishes a foreclosure sale notice in a local newspaper (at least six weeks before the date of the sheriff's sale) and the county sheriff serves the filing to

the occupant. At any point before the sheriff's sale, the property owner can reinstate the mortgage by paying all dues, fees and expenses.¹

After the notice has been published and served, the sheriff's sale occurs and the sheriff auctions the property off to the highest bidder, resulting in foreclosure of the mortgage. Following the sale is a redemption period of up to six months², during which the borrower can redeem the property by paying the amount of sale plus interest, taxes, fees, or liens on the property. Borrowers who do not redeem the property by the expiration of the redemption period lose title and right of occupancy in the property.

Sheriff's Sale Records

Sheriff's sale records are the primary data that identify foreclosed properties and are identified as "foreclosures" within this report. However, it is helpful to understand the following:

- Sheriff's sale records do not reflect the total number of properties that enter the foreclosure process.
- Some portion of properties identified in sheriff's sale records do not result in actual loss of title and occupancy for borrowers because they are redeemed within the allowed timeframe.
- A small percentage of sheriff's sale records do not relate to residential mortgages.³ According to a previous study conducted by the Federal Reserve and Macalester College, less than 2 percent of Minneapolis-St. Paul properties sold at sheriff's sales are commercial. Also, *HousingLink* estimates approximately 2 percent of properties in its foreclosure database are the result of association liens. Taking into account these two figures, it is estimated that at least 95 percent of the foreclosures in this study represent residential properties.

Data Collection

To obtain the number of sheriff's sales in each county, Minnesota Homeownership Center contacted all Minnesota counties. For the updates in this report, counties were asked to provide Minnesota Homeownership Center with the total number of sheriff's sales that occurred in their jurisdiction through the end of the reporting period.

Foreclosure Rate Metric

The calculation of a foreclosure rate makes it possible to compare the relative impact of foreclosures on areas with different population sizes. The foreclosure rate used in this report identifies the number of sheriff's sales as a percent of total residential parcels.

$$\text{foreclosure rate (in percentage)} = \text{sheriff's sales in county} \div \text{residential parcels in county}$$

¹ As of June 15, 2009, MN State Law allows homeowners to delay their foreclosure sale. The homeowner must file for postponement between the first publication of the sheriff's sale and 15 days prior to the sale. This reduces the redemption period. See www.hocmn.org for details.

² Some exceptions apply.

³ Residential mortgages include single-family and multi-family homes.