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# 2016 Annual Foreclosure in Minnesota:

A Report Based on County Sheriff's Sale Data

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### **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](http://www.hocmn.org)

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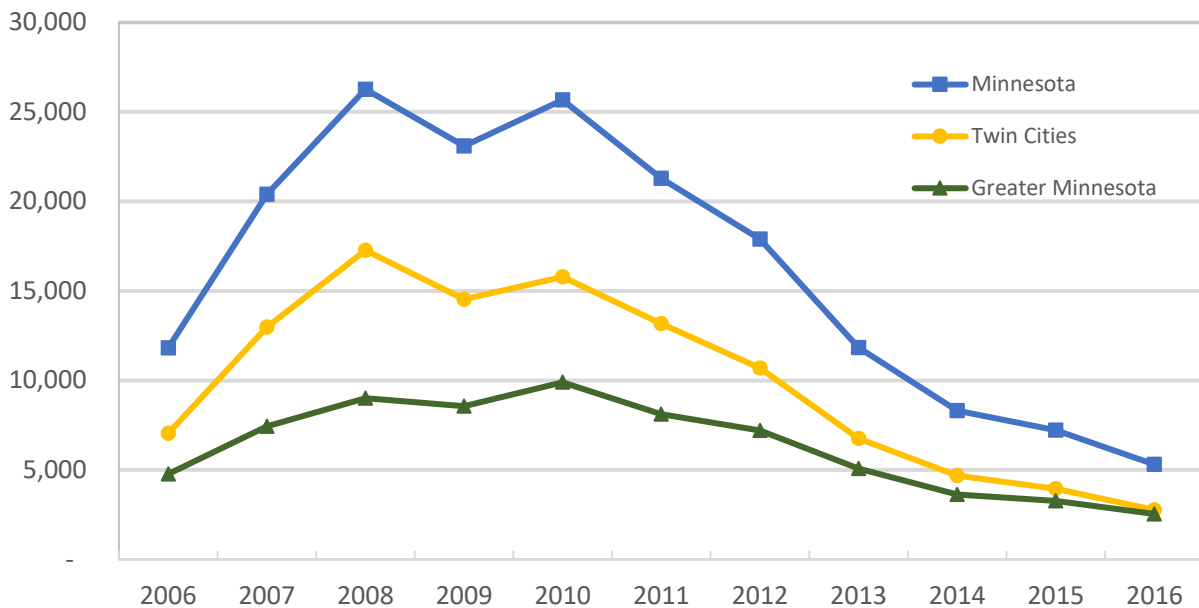
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## Eleven Year History of Minnesota Foreclosures

In 2016 there were 5,306 foreclosures in Minnesota. Compared to 2015 Minnesota saw a 26% decline from the same period, the Twin Cities metro area had a 30% decrease, and Greater Minnesota saw a 22% decline in foreclosures.

**Figure 1**



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

<b>2015 – 2016 Foreclosure Counts Data</b>	Table detailing foreclosure counts from 2015 to 2016, sorted by county and highlighting top ten counties with the largest 2016 total.	Pages 2 - 3
<b>2015 – 2016 Foreclosure Rates Data</b>	Table detailing foreclosure rates from 2015 to 2016, sorted by county and highlighting the top ten counties with the highest 2016 rate.	Pages 4 - 5

More Minnesota foreclosure information and historical data can be found online at

[www.hocmn.org](http://www.hocmn.org)

**Figure 2: MN County Foreclosure Counts, 2015-2016** (sorted by county)

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2015 Total	2016 Total	2015 to 2016 % Change
<b>Twin Cities Metro</b>	852	817	582	514	3,943	2,765	-30%
<b>Greater Minnesota</b>	771	645	586	539	3,269	2,541	-22%
<b>Minnesota</b>	1,623	1,462	1,168	1,053	7,212	5,306	-26%
Aitkin	6	9	12	4	34	31	-9%
Anoka (3)	119	116	88	72	582	395	-32%
Becker	10	6	7	5	27	28	4%
Beltrami	8	8	4	3	25	23	-8%
Benton	14	5	8	12	54	39	-28%
Big Stone	2	4	3	1	4	10	150%
Blue Earth	11	6	16	10	53	43	-19%
Brown	4	4	10	6	28	24	-14%
Carlton	18	14	7	9	73	48	-34%
Carver	21	20	12	12	81	65	-20%
Cass	11	7	7	10	45	35	-22%
Chippewa	1	2	1	4	25	8	-68%
Chisago	25	18	13	17	106	73	-31%
Clay	8	5	3	5	33	21	-36%
Clearwater	3	1	1	0	5	5	0%
Cook	2	1	1	2	8	6	-25%
Cottonwood	3	3	1	1	14	8	-43%
Crow Wing	26	27	16	14	129	83	-36%
Dakota (4)	119	126	36	33	555	314	-43%
Dodge	9	4	5	10	30	28	-7%
Douglas	11	7	5	3	36	26	-28%
Faribault	9	7	2	3	27	21	-22%
Fillmore	5	6	3	0	14	14	0%
Freeborn	16	18	7	14	56	55	-2%
Goodhue	19	13	11	8	63	51	-19%
Grant	1	2	1	0	9	4	-56%
Hennepin (1)	296	316	244	198	1,499	1,054	-30%
Houston	1	2	1	3	8	7	-13%
Hubbard	4	5	3	11	27	23	-15%
Isanti	26	18	20	16	113	80	-29%
Itasca	11	17	22	20	79	70	-11%
Jackson	3	1	4	2	9	10	11%
Kanabec	6	7	3	5	42	21	-50%
Kandiyohi	14	10	7	9	56	40	-29%
Kittson	0	0	1	2	2	3	50%
Koochiching	2	2	1	7	20	12	-40%
Lac qui Parle	2	3	1	0	1	6	500%
Lake	4	7	8	5	24	24	0%
Lake of the Woods	1	2	1	0	4	4	0%
Le Sueur	10	8	8	8	40	34	-15%

**Figure 2: MN County Foreclosure Counts, 2015-2016** (sorted by county)

Lincoln	1	1	1	2	5	5	0%
Lyon	4	3	2	1	19	10	-47%
Mahnomen	1	0	--	--	7	--	--
Marshall	3	1	3	0	6	7	17%
Martin	7	5	6	6	20	24	20%
McLeod	18	9	13	4	57	44	-23%
Meeker	10	5	3	3	28	21	-25%
Mille Lacs	10	14	12	12	64	48	-25%
Morrison	10	10	11	9	46	40	-13%
Mower	21	14	26	5	68	66	-3%
Murray	3	1	0	3	2	7	250%
Nicollet	4	5	6	12	24	27	13%
Nobles	5	2	0	5	12	12	0%
Norman	0	3	0	1	4	4	0%
Olmsted	18	23	10	15	140	66	-53%
Otter Tail	23	16	17	6	53	62	17%
Pennington	1	1	1	0	0	3	--
Pine	13	15	16	16	68	60	-12%
Pipestone	3	3	2	0	11	8	-27%
Polk	5	3	3	4	15	15	0%
Pope	6	2	2	4	11	14	27%
Ramsey (2)	190	140	103	129	705	562	-20%
Red Lake	0	0	0	0	0	0	--
Redwood	2	5	0	0	20	7	-65%
Renville	3	6	4	4	23	17	-26%
Rice	15	13	13	8	90	49	-46%
Rock	3	1	5	2	7	11	57%
Roseau	4	3	4	0	14	11	-21%
Saint Louis (6)	85	65	58	46	299	254	-15%
Scott (10)	28	33	32	26	195	119	-39%
Sherburne (9)	33	33	29	39	181	134	-26%
Sibley	6	1	5	3	20	15	-25%
Stearns (7)	45	38	44	31	181	158	-13%
Steele	16	8	6	9	61	39	-36%
Stevens	1	1	0	0	8	2	-75%
Swift	2	1	2	0	5	5	0%
Todd	8	7	8	5	22	28	27%
Traverse	0	0	0	0	2	0	-100%
Wabasha	5	5	3	1	37	14	-62%
Wadena	6	2	7	3	14	18	29%
Waseca	4	13	3	7	38	27	-29%
Washington (5)	79	66	67	44	326	256	-21%
Watonwan	4	2	1	2	14	9	-36%
Wilkin	1	2	0	1	3	4	33%
Winona	8	11	9	9	34	37	9%
Wright (8)	47	32	26	30	205	135	-34%
Yellow Medicine	1	1	1	2	8	5	-38%

**Figure 3: MN County Foreclosure Rates, 2015-2016** (sorted by county)

	2015 Rate	2016 Rate
<b>Twin Cities Metro</b>	0.43%	0.29%
<b>Greater Minnesota</b>	0.37	0.30
<b>Minnesota</b>	0.40	0.29
Aitkin	0.45	0.41
Anoka	0.53	0.36
Becker	0.21	0.22
Beltrami	0.20	0.18
Benton	0.47	0.34
Big Stone	0.15	0.37
Blue Earth	0.28	0.23
Brown	0.28	0.24
Carlton	0.59	0.39
Carver	0.27	0.21
Cass	0.39	0.31
Chippewa	0.48	0.15
Chisago	0.58	0.40
Clay	0.18	0.07
Clearwater	0.15	0.15
Cook	0.41	0.30
Cottonwood	0.26	0.15
Crow Wing	0.52	0.33
Dakota	0.43	0.24
Dodge	0.43	0.40
Douglas	0.25	0.18
Faribault	0.41	0.32
Fillmore	0.16	0.16
Freeborn	0.41	0.41
Goodhue	0.37	0.30
Grant	0.32	0.14
Hennepin	0.39	0.28
Houston	0.11	0.09
Hubbard	0.33	0.28
Isanti	0.84	0.60
Itasca	0.44	0.39
Jackson	0.19	0.21
Kanabec	0.67	0.34
Kandiyohi	0.36	0.26
Kittson	0.08	0.12
Koochiching	0.36	0.21
Lac qui Parle	0.36	0.17
Lake	0.48	0.48
Lake of the Woods	0.22	0.22
Le Sueur	0.38	0.32
Lincoln	0.17	0.17
Lyon	0.22	0.11

**Figure 4:**

Counties with Highest Foreclosure Rates

Rank	County	Foreclosure Rate 2016
1	Isanti	0.60%
2	Pine	0.55%
3	Mille Lacs	0.53%
4	Mower	0.49%
5	Lake	0.48%
6	Sherburne	0.47%
7	Aitkin	0.41%
8	Freeborn	0.41%
9	Chisago	0.40%
10	Dodge	0.40%

**Figure 5:**

Counties with Highest Foreclosure Counts

Rank	County	Foreclosure Count 2016
1	Hennepin	1,054
2	Ramsey	562
3	Anoka	395
4	Dakota	314
5	Washington	256
6	Saint Louis	254
7	Stearns	158
8	Wright	135
9	Sherburne	134
10	Scott	119

**Figure 3: MN County Foreclosure Rates, 2015-2016** *(sorted by county)*

	<b>2015 Rate</b>	<b>2016 Rate</b>
Mahnomen	0.40	0.06
Marshall	0.12	0.14
Martin	0.23	0.27
McLeod	0.45	0.35
Meeker	0.31	0.24
Mille Lacs	0.71	0.53
Morrison	0.36	0.32
Mower	0.51	0.49
Murray	0.05	0.17
Nicollet	0.24	0.27
Nobles	0.16	0.16
Norman	0.12	0.12
Olmsted	0.28	0.13
Otter Tail	0.22	0.25
Pennington	0.00	0.06
Pine	0.63	0.55
Pipestone	0.26	0.19
Polk	0.12	0.12
Pope	0.22	0.28
Ramsey	0.48	0.39
Red Lake	0.00	0.00
Redwood	0.30	0.11
Renville	0.34	0.25
Rice	0.46	0.25
Rock	0.17	0.27
Roseau	0.23	0.18
Saint Louis	0.40	0.34
Scott	0.45	0.27
Sherburne	0.63	0.47
Sibley	0.34	0.25
Stearns	0.40	0.35
Steele	0.49	0.31
Stevens	0.21	0.05
Swift	0.11	0.11
Todd	0.22	0.28
Traverse	0.10	0.00
Wabasha	0.43	0.16
Wadena	0.26	0.33
Waseca	0.55	0.39
Washington	0.40	0.31
Watonwan	0.32	0.21
Wilkin	0.10	0.14
Winona	0.21	0.23
Wright	0.49	0.32
Yellow Medicine	0.17	0.11



## Purpose and Objectives

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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 Sales Data](#) series, which comparable reports have been released annually since 2007 and semiannually 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 2016.
- **Updated foreclosure rates for all Minnesota counties** in 2016.<sup>1</sup> 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 Revenue<sup>2</sup>.
- **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.

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<sup>1</sup> 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.

<sup>2</sup> 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:

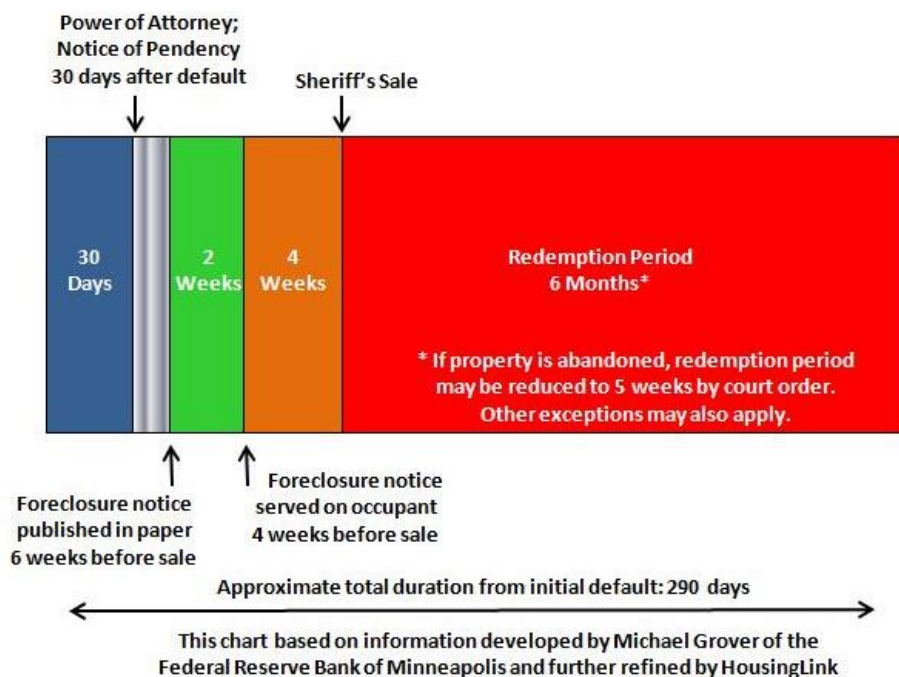
- 1) *Judicial Foreclosure*, which is conducted like any other form of civil lawsuit.
- 2) *Foreclosure by Advertisement*, which is a type of non-judicial foreclosure.

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.<sup>1</sup>

<sup>1</sup> 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](http://www.hocmn.org) for details.

## Methodology

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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 months<sup>1</sup>, 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.<sup>2</sup> 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.

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

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<sup>1</sup> Some exceptions apply.

<sup>2</sup> Residential mortgages include single-family and multi-family homes.