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# 2018 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 <https://www.hocmn.org/>

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## 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 Sales Data series, which comparable reports have been released annually since 2007.

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 2018.
- **Updated foreclosure rates for all Minnesota counties** in 2018.<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: economic conditions; unemployment rates; housing prices; numbers of mortgage delinquencies; and resetting or recasting adjustable rate mortgages. Conversely, intervention and loss mitigation activities on the part of counselors and lenders help to reduce the number of foreclosures.

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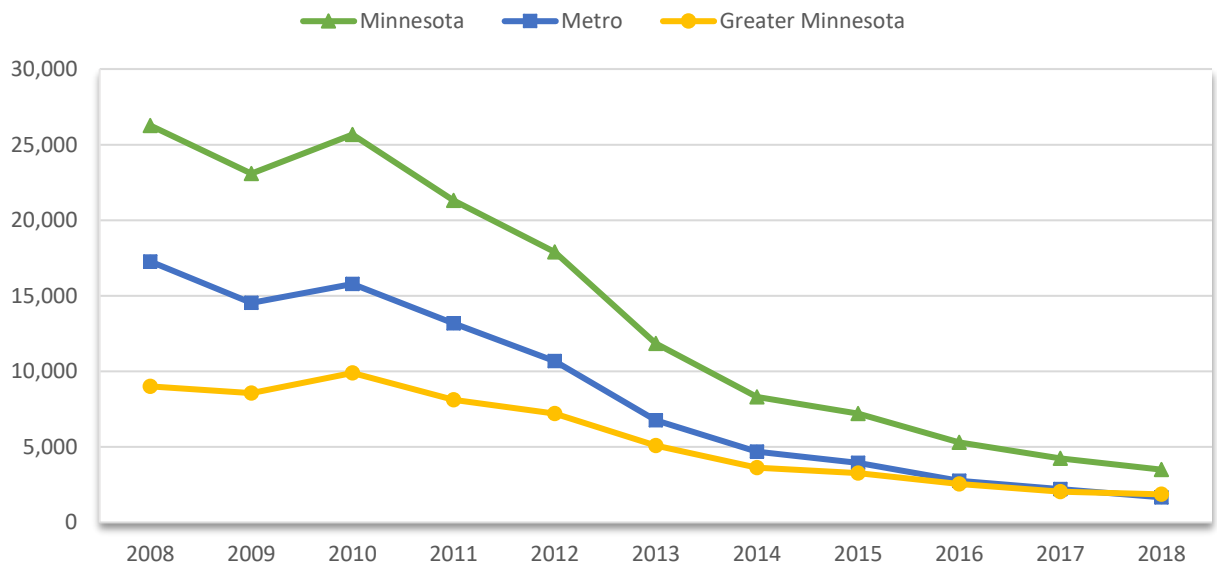
<sup>1</sup> Releases of Foreclosures in Minnesota: A Report Based on County Sheriff's Sale Data prior to August 2009 release used household estimates to calculate the foreclosure rate. As of the August 2009 report, residential parcels have been used to calculate foreclosure rate. See *Foreclosure Rate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

## History of Minnesota Foreclosures

In 2018 there were 3,495 foreclosures in Minnesota. Compared to 2017 Minnesota saw a 17% decline from the same period, the Twin Cities metro area had a 26% decrease, and Greater Minnesota saw a 8% decline in foreclosures.

Figure 1: Eleven Year History of Minnesota Foreclosures



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

<b>2017 – 2018 Foreclosure Counts Data</b>	Table detailing foreclosure counts from 2017 to 2018, sorted by county and highlighting top ten counties with the largest 2018 total.	Pages 5 - 7
<b>2017 – 2018 Foreclosure Rates Data</b>	Table detailing foreclosure rates from 2017 to 2018, sorted by county and highlighting the top ten counties with the highest 2018 rate.	Pages 8 - 9

Figure 2: MN County Foreclosure Counts, 2017-2018 *(sorted by county)*

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018 Total	2017 Total	2017 to 2018 % Change
<b>Twin Cities Metro</b>	496	465	350	323	1,634	2,200	-26%
<b>Greater Minnesota</b>	470	507	422	462	1,861	2,031	-8%
<b>Minnesota</b>	966	972	772	785	3,495	4,231	-17%
Aitkin	3	9	7	2	21	32	-34%
Anoka (3)	60	90	47	57	254	320	-21%
Becker	4	4	2	3	13	21	-38%
Beltrami	5	8	12	10	35	17	106%
Benton	12	9	3	6	30	27	11%
Big Stone	0	3	3	0	6	6	0%
Blue Earth	10	3	14	9	36	46	-22%
Brown	2	6	3	0	11	21	-48%
Carlton	7	10	9	6	32	36	-11%
Carver	10	14	7	9	40	55	-27%
Cass	3	6	6	7	22	28	-21%
Chippewa	1	2	3	2	8	17	-53%
Chisago	8	12	11	9	40	49	-18%
Clay	6	5	3	6	20	23	-13%
Clearwater	4	1	0	1	6	2	200%
Cook	0	0	1	1	2	2	0%
Cottonwood	4	1	2	3	10	6	67%
Crow Wing	10	15	16	22	63	70	-10%
Dakota (4)	52	61	63	46	222	278	-20%
Dodge	2	3	2	3	10	13	-23%
Douglas	7	11	8	5	31	24	29%
Faribault	4	2	3	6	15	18	-17%
Fillmore	3	4	4	2	13	19	-32%
Freeborn	11	4	9	5	29	24	21%
Goodhue	11	8	12	6	37	50	-26%
Grant	0	4	2	0	6	4	50%
Hennepin (1)	212	156	135	116	619	809	-23%
Houston	0	5	0	2	7	3	133%
Hubbard	5	6	4	4	19	28	-32%
Isanti	14	15	9	8	46	57	-19%
Itasca	19	23	9	12	63	48	31%
Jackson	2	1	4	1	8	5	60%
Kanabec	3	6	6	8	23	24	-4%
Kandiyohi	4	6	9	7	26	28	-7%
Kittson	0	0	0	0	0	0	0%
Koochiching	1	3	2	5	11	14	-21%
Lac qui Parle	0	2	1	2	5	2	150%

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018 Total	2017 Total	2017 to 2018 % Change
Lake	1	5	2	6	14	15	-7%
Lake of the Woods	0	2	0	1	3	4	-25%
Le Sueur	9	7	3	6	25	37	-32%
Lincoln	0	1	1	0	2	5	-60%
Lyon	2	3	6	4	15	15	0%
Mahnomen	1	1	0	1	3	1	200%
Marshall	3	5	1	0	9	4	125%
Martin	11	6	1	5	23	17	35%
McLeod	5	4	4	10	23	34	-32%
Meeker	6	4	4	3	17	25	-32%
Mille Lacs	10	8	5	5	28	41	-32%
Morrison	13	12	5	10	40	28	43%
Mower	7	8	10	8	33	34	-3%
Murray	1	1	1	0	3	2	50%
Nicollet	6	6	3	3	18	11	64%
Nobles	2	1	3	2	8	10	-20%
Norman	0	2	0	1	3	2	50%
Olmsted	12	18	6	12	48	60	-20%
Otter Tail	12	13	9	9	43	38	13%
Pennington	2	3	1	4	10	11	-9%
Pine	8	8	8	14	38	49	-22%
Pipestone	0	1	2	1	4	8	-50%
Polk	4	2	6	6	18	15	20%
Pope	0	3	2	3	8	10	-20%
Ramsey (2)	86	84	61	58	289	452	-36%
Red Lake	0	0	0	0	0	1	-100%
Redwood	1	5	1	3	10	15	-33%
Renville	0	2	6	3	11	10	10%
Rice	11	6	11	3	31	54	-43%
Rock	1	0	0	0	1	7	-86%
Roseau	8	5	3	3	19	9	111%
Saint Louis (5)	63	45	47	49	204	226	-10%
Scott (10)	27	23	8	12	70	93	-25%
Sherburne (8)	19	28	19	25	91	98	-7%
Sibley	6	4	4	8	22	19	16%
Stearns (7)	24	21	20	29	94	83	13%
Steele	11	12	9	11	43	29	48%
Stevens	0	0	0	1	1	4	-75%
Swift	0	0	0	0	0	6	-100%
Todd	4	8	10	6	28	27	4%
Traverse	--	--	--	--	--	1	--
Wabasha	6	4	2	5	17	20	-15%
Wadena	2	7	1	1	11	17	-35%
Waseca	4	4	4	3	15	20	-25%

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018 Total	2017 Total	2017 to 2018 % Change
Washington (6)	49	37	29	25	140	193	-27%
Watsonwan	4	3	1	3	11	13	-15%
Wilkin	0	0	1	0	1	6	-83%
Winona	3	6	1	6	16	24	-33%
Wright (9)	22	22	17	23	84	95	-12%
Yellow Medicine	1	4	3	3	11	7	57%

Figure 3: Counties with the Highest Foreclosure Counts

Rank	County	2018 Foreclosure Counts
1	Hennepin	619
2	Ramsey	289
3	Anoka	254
4	Dakota	222
5	Saint Louis	204
6	Washington	140
7	Stearns	94
8	Sherburne	91
9	Wright	84
10	Scott	70



Figure 4: MN County Foreclosure Rates, 2017-2018 *(sorted by county)*

	2018 Rate	2017 Rate
<b>Twin Cities Metro</b>	0.18	0.24
<b>Greater Minnesota</b>	0.21	0.23
<b>Minnesota</b>	0.19	0.23
Aitkin	0.28	0.43
Anoka	0.23	0.29
Becker	0.10	0.17
Beltrami	0.27	0.13
Benton	0.26	0.24
Big Stone	0.22	0.22
Blue Earth	0.05	0.25
Brown	0.11	0.21
Carlton	0.26	0.29
Carver	0.13	0.18
Cass	0.19	0.24
Chippewa	0.15	0.33
Chisago	0.22	0.27
Clay	0.11	0.13
Clearwater	0.17	0.06
Cook	0.10	0.10
Cottonwood	0.19	0.11
Crow Wing	0.25	0.28
Dakota	0.17	0.21
Dodge	0.14	0.19
Douglas	0.22	0.17
Faribault	0.23	0.27
Fillmore	0.15	0.21
Freeborn	0.21	0.18
Goodhue	0.22	0.30
Grant	0.21	0.14
Hennepin	0.16	0.21
Houston	0.09	0.04
Hubbard	0.23	0.34
Isanti (6)	0.34	0.42
Itasca (3)	0.35	0.27
Jackson	0.17	0.11
Kanabec (2)	0.37	0.38
Kandiyohi	0.17	0.18
Kittson	0	0
Koochiching	0.20	0.25

Figure 5:  
Counties with the Highest  
Foreclosure Rates

Rank	County	2018 Foreclosure Rates
1	Sibley	0.37
2	Kanabec	0.37
3	Itasca	0.35
4	Pine	0.35
5	Steele	0.34
6	Isanti	0.34
7	Sherburne	0.32
8	Roseau	0.32
9	Morrison	0.32
10	Mille Lacs	0.31

	2018 Rate	2017 Rate		2018 Rate	2017 Rate
Lac qui Parle	0.14	0.06	Wabasha	0.20	0.23
Lake	0.28	0.30	Wadena	0.20	0.32
Lake of the Woods	0.17	0.22	Waseca	0.22	0.29
Le Sueur	0.23	0.35	Washington	0.17	0.24
Lincoln	0.07	0.17	Watsonwan	0.25	0.30
Lyon	0.17	0.17	Wilkin	0.03	0.21
Mahnomen	0.17	0.06	Winona	0.10	0.15
Marshall	0.18	0.08	Wright	0.20	0.23
Martin	0.26	0.19	Yellow Medicine	0.24	0.15
McLeod	0.18	0.27			
Meeker	0.19	0.28			
Mille Lacs (10)	0.31	0.45			
Morrison (9)	0.32	0.22			
Mower	0.25	0.25			
Murray	0.07	0.05			
Nicollet	0.18	0.11			
Nobles	0.10	0.13			
Norman	0.09	0.06			
Olmsted	0.10	0.12			
Otter Tail	0.18	0.16			
Pennington	0.20	0.22			
Pine (4)	0.35	0.45			
Pipestone	0.10	0.19			
Polk	0.15	0.12			
Pope	0.16	0.20			
Ramsey	0.20	0.31			
Red Lake	0	0.06			
Redwood	0.15	0.23			
Renville	0.16	0.15			
Rice	0.16	0.28			
Rock	0.02	0.17			
Roseau (8)	0.32	0.15			
Saint Louis	0.27	0.30			
Scott	0.16	0.21			
Sherburne (7)	0.32	0.34			
Sibley (1)	0.37	0.32			
Stearns	0.21	0.18			
Steele (5)	0.34	0.23			
Stevens	0.03	0.11			
Swift	0	0.13			
Todd	0.28	0.27			
Traverse	--	0.05			

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## Overview of the Foreclosure Process

There are two types of foreclosure processes in Minnesota:

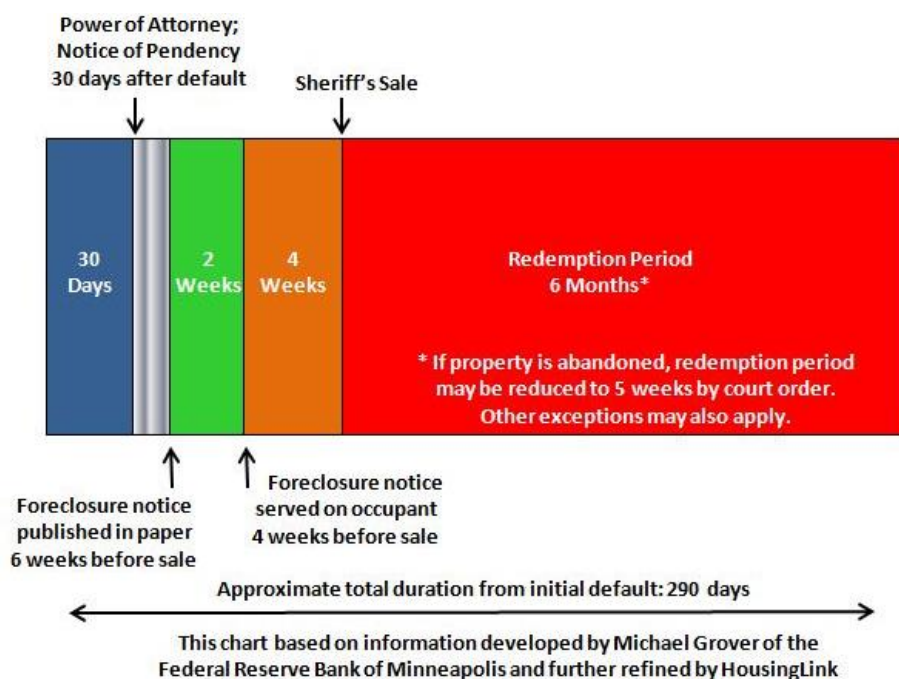
- 1) *Judicial Foreclosure*, which is conducted like any other form of civil lawsuit.
- 2) *Foreclosure by Advertisement*, which is a type of non-judicial foreclosure.

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>3</sup>

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

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<sup>3</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.

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redemption period of up to six months<sup>4</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>5</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, approximately 2 percent of properties in this report 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 report represent residential properties.

## Data Collection

To obtain the number of sheriff's sales in each county, Minnesota Homeownership Center contacted all Minnesota counties. Counties were asked to provide the 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.

$$\text{Foreclosure Rate (in percentage)} = \frac{\text{Sheriff's Sales in County}}{\text{Residential Parcels in County}}$$

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<sup>4</sup> Some exceptions apply.

<sup>5</sup> Residential mortgages include single-family and multi-family homes.