

Mortgage Foreclosure Prevention (MFP) Program

Serving the City of Saint Paul

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For contact information for foreclosure prevention programs serving other areas of Minnesota, click here: www.hocmn.org

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What is the MFP Program?

The Mortgage Foreclosure Prevention (MFP) Program counsels homeowners who are in danger of losing their homes. Our objective is to assist homeowners avoid foreclosure, stay in their homes and remain part of their communities. We work with the homeowners to assess their immediate needs and look at options to prevent foreclosure. The program offers homeowners the following services:

- Education about the foreclosure process, legal timelines and how to contact and negotiate with the lender
- Assessment of the homeowners overall situation and assistance in evaluating possible foreclosure solutions
- Referral to community resources including financial counseling

As a last resort and based upon funding availability, homeowners who qualify may receive one-time financial assistance in the form of an interest-free loan secured by a lien against the property. When the house is sold, title is transferred or the first mortgage is refinanced, the entire loan amount must be repaid. Eligibility for a loan is determined by a loan review committee on a case-by-case basis. Basic Guidelines for an MFP Loan:

- Owner-occupant of home located in the city limits of Saint Paul.
- Reason for default must be due to a crisis beyond the owner's control.
- Loan must resolve default and owner must resume responsibility for financial obligations.
- Homeowner must participate in financial counseling and in applying for lender workouts.

The Foreclosure Process in Minnesota

In rare cases this time may be lengthened or shortened.

1	Default on Mortgage Payment Homeowner misses 1-3 payments (If overdue payments are not made, foreclosure begins)
2	Notice of Foreclosure Mortgage is 3 months delinquent Servicer notifies insurer, investor, and local attorney
3	Publication of Notice of Foreclosure Notice published in <i>Saint Paul Legal Ledger</i> for six consecutive weeks Homeowner served with Notice of Foreclosure
4	Sheriff's Sale Servicer's local attorney submits bid in amount of indebtedness Mortgage is extinguished Home title remains with homeowner
5	Redemption Period (Six Months*) Homeowner may continue to live in house Homeowner may repay debt through sale of home or refinance
6	Foreclosure Completed Title goes to lender/servicer/investor Former homeowner vacates the house

If you have a mortgage, this overview of the foreclosure process applies to you. If you have a contract for deed, you have 60 days usually to cure a default after service of the Notice of Cancellation. Contact an MFP Program Counselor for further information.

* If the property is vacant, the attorney for the servicer can petition the court to shorten the redemption period to five weeks, usually. On the other hand, the redemption period can be 12 months when older mortgages are involved or the property is larger than 10 acres.