



2013 SENATE BILL 675

March 13, 2014 – Introduced by Senator GROTHMAN, cosponsored by Representative CRAIG. Referred to Committee on Insurance and Housing.

- 1 **AN ACT** *to amend* 846.10 (2) and 846.101 (2) of the statutes; **relating to:**
2 reducing certain redemption periods in foreclosure actions.

Analysis by the Legislative Reference Bureau

If a mortgagor (person who takes out a mortgage loan to, for example, buy real property) defaults in the repayment of the loan, the mortgagee (person or entity that made the loan, such as a bank) may commence a mortgage foreclosure action, the procedure for which is provided in current law. If the mortgagor owes the money, the court will enter judgment for the mortgagee, who is the plaintiff in the action. Before the property may be sold at sheriff's sale, a specified period of time, known as the redemption period, must elapse during which the mortgagor may pay the amount owed on the loan. If the amount is not paid by the end of the redemption period, the property will be sold at sheriff's sale and the amount realized on the sale of the property will be paid against the amount owed on the loan.

Under current law, the length of the redemption period for a one-family to four-family residence that is owner-occupied at the commencement of the foreclosure action is 12 months and notice of the sale may not be made before ten months after the foreclosure judgment is entered. If the plaintiff has waived a deficiency judgment so that the defendant does not have to pay any amount by which what the defendant owes on the mortgage exceeds the amount recovered at the sale of the property, the length of the redemption period is six months and notice of the sale may not be made before four months after the foreclosure judgment is entered.

This bill shortens up the redemption periods and the times for noticing the sale for a one-family to four-family residence that is owner-occupied at the

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commencement of a foreclosure action. Under the bill, if the plaintiff is seeking a deficiency judgment, the redemption period is shortened to six months and notice of the sale may not be made before four months after the foreclosure judgment is entered. If the plaintiff has waived a deficiency judgment, the length of the redemption period is shortened to three months and notice of the sale may not be made before one month after the foreclosure judgment is entered.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 846.10 (2) of the statutes is amended to read:

2 846.10 (2) Any party may become a purchaser. No sale involving a one- to
3 4-family residence that is owner-occupied at the commencement of the foreclosure
4 action, a farm, a church or a tax-exempt nonprofit charitable organization may be
5 held until the expiration of ~~12~~ 6 months from the date when judgment is entered,
6 except a sale under s. 846.101 or 846.102. Notice of the time and place of sale shall
7 be given under ss. 815.31 and 846.16 and may be given within the ~~12-month~~
8 6-month period except that the first printing of the notice shall not be made less than
9 ~~10~~ 4 months after the date when judgment is entered, except that the sale of a farm
10 shall not be made or advertised until the expiration of ~~one year~~ 6 months from the
11 date when such judgment is entered. In all cases the parties may, by stipulation or
12 other written agreement, filed with the clerk, consent to an earlier sale. Sales under
13 foreclosure of mortgages given by any railroad corporation may be made
14 immediately after the rendition of the judgment.

15 **SECTION 2.** 846.101 (2) of the statutes is amended to read:

16 846.101 (2) When plaintiff so elects, judgment shall be entered as provided in
17 this chapter, except that no judgment for deficiency may be ordered therein nor
18 separately rendered against any party who is personally liable for the debt secured
19 by the mortgage and the sale of such mortgaged premises shall be made upon the

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1 expiration of ~~6~~ 3 months from the date when such judgment is entered. Notice of
2 the time and place of sale shall be given under ss. 815.31 and 846.16 within such
3 ~~6-month~~ 3-month period except that first printing of a copy of such notice in a
4 newspaper shall not be made less than ~~4 months~~ one month after the date when such
5 judgment is entered.

6 **SECTION 3. Initial applicability.**

7 (1) This act first applies to mortgage foreclosure actions with respect to
8 mortgages that are recorded on the effective date of this subsection.

9 (END)