



# Financial Services Update: Extension of Farmer-Lender Mediation Period

April 20, 2020

On April 15, 2020, Governor Tim Walz signed a bill extending the mediation period under the Minnesota Farmer-Lender Mediation Act.

The Farmer-Lender Mediation Act is a statutorily required mediation process that must be followed prior to executing on or enforcing a lien on agricultural property. The Farmer-Lender Mediation Act was enacted in 1986 in response to the farm financial crisis of the mid-1980s. The Farmer-Lender Mediation Act requires a creditor initiating a procedure against a debtor to enforce a remedy against agricultural property must serve a mediation notice prior to beginning the proceeding. This applies to a creditor's attempt to enforce a security interest on agricultural property including a real property foreclosure, personal property foreclosure, judgment execution, or terminating a contract for deed.

Effective immediately, the Farmer-Lender Mediation Act is amended to:

- **Extend the mediation period to 150 days.** Under previous law, the mediation period was 90 days. The amendment extends the mediation period to 150 days for mediations that have not yet been commenced.
- **Extend the mediation period for existing mediations 60 days.** The amendment extends the mediation period for existing mediations 60 days. For example, if the mediation period commenced on April 1, 2020, under previous law, the mediation would expire on June 30, 2020. Under the amendment, the mediation will expire on August 29, 2020.

The amendment is effective for mediations commenced through July 31, 2020. Mediation proceeding commenced after July 31, 2020, will revert back to the original 90 day window. Thought should be given as to the timing of the mediation notice.

If you have any questions, please contact Jeffrey Peterson, Financial Services Practice Group Chair Brian Holland, or your regular Lathrop GPM contact.