SUPREME COURT OF MINNESOTA

Petition of Minnesota Housing Finance Agency

A24-0632 (Minn. Mar. 18, 2026) · No. A24-0632 · Decided March 18, 2026

SUMMARY

The Minnesota Supreme Court held that a holder of a sheriff's certificate of sale waives the right to contest a junior creditor's redemption by receiving the redemption money and failing to return it as soon as administratively possible. Because the Minnesota Housing Finance Agency received the redemption check and did not return the money, it accepted the redemption and waived its challenge. The court reversed and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Minnesota
WRITING FOR THE COURT	Justice McKeig
JURISDICTION	Minnesota Supreme Court
DECIDED	March 18, 2026
DOCKET	A24-0632
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Creative Real Estate, Inc. and E&T Property, LLC appealed from summary judgment for Minnesota Housing Finance Agency. The Minnesota Court of Appeals affirmed, and the Minnesota Supreme Court granted Creative's petition for review on the waiver issue.
STANDARD OF REVIEW	De novo review of the application of law to undisputed facts on appeal from summary judgment.
PRECEDENTIAL VALUE	Published precedential opinion
PARTIES	Creative Real Estate, Inc., E&T Property, LLC v. Minnesota Housing Finance Agency

TOPICS

foreclosure · mortgages · summary judgment · waiver · real estate

PRACTICE AREAS

real estate · mortgage foreclosure · civil procedure · remedies

QUESTIONS PRESENTED

1. When does a holder of a sheriff's certificate of sale from a mortgage foreclosure waive the right to contest a junior creditor's redemption?
2. Did MHFA accept the redemption money, and thereby waive its right to challenge Creative's redemption, by receiving the money and failing to return it as soon as administratively possible?
3. Was remand for additional fact-finding necessary to determine whether MHFA returned the redemption money as soon as administratively possible?

HOLDINGS

1. A holder of a sheriff's certificate of sale accepts redemption money, and waives the right to contest the junior creditor's redemption, when it receives the redemption money and fails to return it as soon as administratively possible.
2. MHFA waived its right to contest Creative's redemption because it received the redemption money and did not return it as soon as administratively possible.
3. Additional fact-finding was unnecessary because the record established that MHFA never returned the redemption money.

KEY QUOTATIONS

> *"Accordingly, we clarify our existing case law and hold that if a certificate holder receives the redemption money tendered by a junior creditor, the certificate holder must either (1) accept the money, thus recognizing the redemption as valid and waiving the right to contest the junior creditor's redemption; or (2) return the money as soon as administratively possible, thus retaining the right to contest the redemption."* (10-11)

> *"MHFA received the redemption check tendered by Creative and did not return the money as soon as administratively possible. MHFA therefore accepted the redemption money and waived its right to contest Creative's redemption."* (12)

FACTUAL BACKGROUND

MHFA foreclosed on a residential mortgage, purchased the property at the sheriff's sale, and received a sheriff's certificate of sale. Creative, a junior creditor, filed a mechanic's lien and notice of intention to redeem, later satisfied the lien, and nevertheless tendered redemption funds to the sheriff. The sheriff delivered the redemption check to MHFA's counsel, but MHFA did not return the money and instead retained it in counsel's trust account while litigating the validity of the redemption.

PROCEDURAL HISTORY

Minnesota Housing Finance Agency petitioned the district court to invalidate Creative's attempted redemption, cancel the certificate of title memorializing Creative's lien, and issue a new certificate of title naming MHFA as sole owner. The district court granted MHFA summary judgment and denied Creative's and E&T's motions. The court of appeals affirmed. The Minnesota Supreme Court reversed the court of appeals and remanded to the district court for further proceedings.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the district court for further proceedings consistent with the opinion. The remand remained necessary because reversal of the court of appeals also reversed its affirmance of the district court's summary judgment order.

CASES CITED

- Clark v. Butts, 76 N.W. 199, 200, 202 (Minn. 1898)
- Orr v. Sutton, 148 N.W. 1066, 1069-70 (Minn. 1914)
- Grant v. Bibb, 152 N.W. 728, 728-29 (Minn. 1915)
- Sardeson v. Menage, 43 N.W. 66, 66 (Minn. 1889)
- Hanson v. Woolston, 701 N.W.2d 257, 257, 261, 263-64, 266 (Minn. App. 2005)
- Staub as Tr. of Weeks v. Myrtle Lake Resort, LLC, 964 N.W.2d 613, 629 (Minn. 2021)
- Todd v. Johnson, 57 N.W. 320, 322 (Minn. 1893)
- Pietsch v. Minn. Bd. of Chiropractic Exam’rs, 683 N.W.2d 303, 306 (Minn. 2004)
- State ex rel. Swanson v. 3M Co., 845 N.W.2d 808, 817 (Minn. 2014)
- Buskey v. Am. Legion Post #270, 910 N.W.2d 9, 18-19 (Minn. 2018)
- Petition of Minn. Hous. Fin. Agency, No. A24-0632, 2025 WL 251879, at *3-*5 (Minn. App. Jan. 21, 2025)