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Foreclosure notice ruled invalid

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An Olmsted County District Court judge has ruled that a mortgage foreclosure sale notice published in an area newspaper was invalid because the notice wasn't in a legally recognized newspaper distributed in the area where the home is located.

The ruling was in regard to a foreclosure case involving a house in northwest Rochester. The legal notice was published by the lender in the Stewartville Star, and the home owner argued that the weekly isn't regularly distributed in "the area of the property," as required by statute.

Olmsted County District Judge Jodi Williamson agreed, granting a preliminary judgment Feb. 14. A declaratory judgment was entered June 8. The plaintiff in the case was Barbara Louise Furlow, and the defendants were HSBC Bank USA and Galaxy Publications LLC, which publishes the Stewartville Star.

In the ruling, Williamson says that "publication in a qualified newspaper is not sufficient by itself to provide notice to the public." The legal notice must be published in a newspaper "that is likely to give notice in the affected area or to whom it is directed," according to the ruling.

"It is not likely that a newspaper with a circulation of approximately 1,000 issues that purports to serve six rural communities outside and to the southeast of the city of Rochester — some of which are not even located in Olmsted County — would be likely to give notice to the area of, or a resident living in, northwest Rochester," the ruling says.

The judge ordered the foreclosure process halted pending further proceedings or possible resolution by the parties.