

**NON-GRANT LAND ACQUIRED AFTER JANUARY 1, 2020 THROUGH FORECLOSURE
OR DEED IN LIEU OF FORECLOSURE**

Lease to a former owner

The former owner of the acquired property means the original mortgagor or, with the original mortgagor's consent, members of the original mortgagor's immediate family including father, mother, son, daughter, brother, sister, or spouse. Acquired property may be leased to the former owner as follows:

1. If the former owner wants to continue operating, living, or both on the acquired property, the acquired property may be leased to the former owner for up to a five-year term if the former owner has made a good faith effort to settle the previous mortgage. In determining whether a good faith effort has been made, the Department may consider the following:
 - a. If taxes are paid in full through the date of transfer of the deed;
 - b. If a deedback was negotiated and either completed or, if not completed, it was through no fault of the former owner;
 - c. If the former owner has made an attempt to pay the mortgage as shown by past payment history; and
 - d. Other reasonable considerations as determined by the Board.
2. After the initial lease to the former owner expires, the property may be leased or sold at public auction.
3. Notwithstanding subsections 1 and 2 above, property subject to a Conservation Reserve Program (CRP) contract which has not been accepted by the Commissioner, or Commissioner's agent as successor in interest, may be sold at public auction.

Leases to other than the former owner

If the former owner does not want to lease or purchase the acquired property, or if a mutually acceptable rental agreement cannot be reached, the acquired property will be leased in accordance with N.D. Admin. Code ch. 85-04-01.

Division of tracts for lease

Acquired property may be leased in as many separate tracts as determined by the Commissioner.

Improvements and fixtures

Permanent improvements (buildings, wells, dams, water holes, water lines, trees, grass seedings, etc.) are subject to the provisions of N.D.C.C. § 15-08-26 and N.D. Admin. Code ch. 85-04-03.

1. All improvements, fixtures, and other materials on acquired property at the time of acquisition are the property of the State and may be sold at public auction, by sealed bid, or by private sale.

2. In the event an improvement is damaged or destroyed by an event covered by the Department's insurance, the improvement may either be repaired or abandoned at the discretion of the Commissioner.

CRP

Acquired lands may be entered into CRP or existing CRP contracts may be accepted at the sole discretion of the Commissioner pursuant to N.D.C.C. § 15-07-20 provided:

1. The sale value of the acquired lands shall not be reduced.
2. The State shall appear as the sole owner on the CRP contract.
3. If it is in the best interests of the State, the Commissioner may negotiate a maintenance contract for seeding, weed control, stand maintenance, or other activities which may be required to comply with the CRP contract without public auction.

Insurance

Houses, barns, bins, or other improvements may be insured for property loss by the lessor, but the lessor is not required to insure such improvements when it is not in the best interests of the trusts.

Utilities

Lessee shall be liable for payment of any utility costs incurred by the lessee.

General Authority: N.D.C.C. ch. 15-07; N.D. Admin. Code 85-04-03

Effective Date: January 1, 2021

Revised: