



Minnesota Neighborhoods Most Impacted by Home Equity Theft

Thousands of Minnesota families and individuals have lost their homes or properties and all the savings they built in them because of state-sanctioned home equity theft.

Across the nation, property tax collectors can seize and sell homes to collect unpaid taxes if an owner misses a payment or even underestimates how much they owe. These tax collectors quite rightly seek to collect tax debt and interest to ensure resources for their communities.

In Minnesota, however, not only can a locality collect the debt, but it can also take the entire home. Counties can seize everything, no matter how much equity the owner has in the home or how little tax is owed—and this has devastating consequences for Minnesotans.

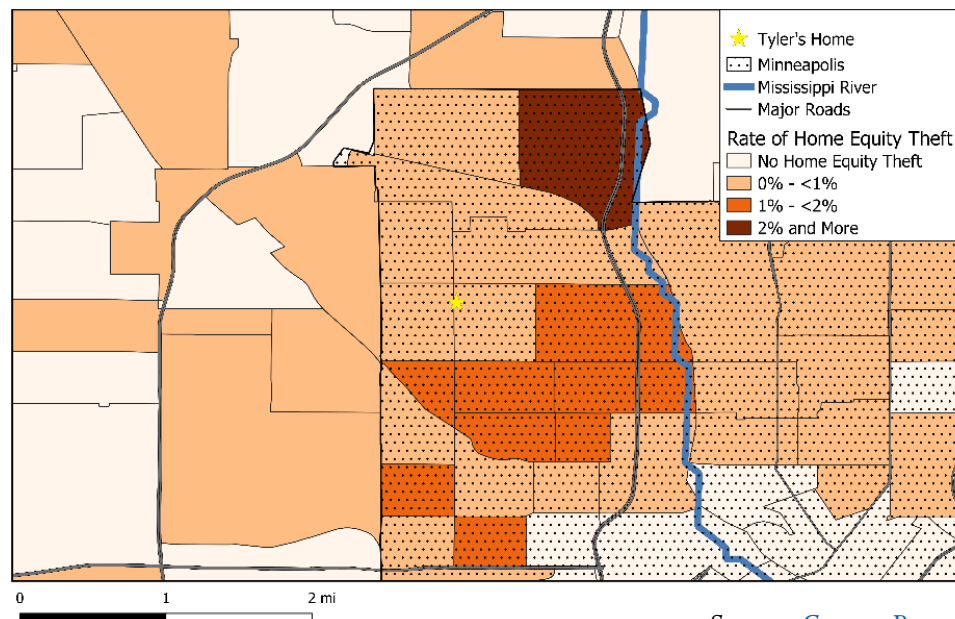
Ms. Geraldine Tyler owned a condo that Hennepin County tax foreclosed and that was sold for \$40,000. The total debt

was \$15,000. The difference of \$25,000, Geraldine's equity in her home, was lost and is now the subject of a case before the Supreme Court of the United States, [Tyler v. Hennepin County](#).

The Pacific Legal Foundation previously analyzed Minnesota tax and sales records to analyze the size and scope of home equity theft in [Minnesota](#). This document takes that analysis and zooms in on the neighborhoods most impacted by home equity theft—neighborhoods with at least one tax foreclosure sale for every one hundred homes.

The following map shows the rate of home equity theft in Northwest Minneapolis, the densest area in Hennepin County.

Home Equity Theft as a Percentage of Homes in Northwest Minneapolis (Tract)



Source: [Census Bureau](#)

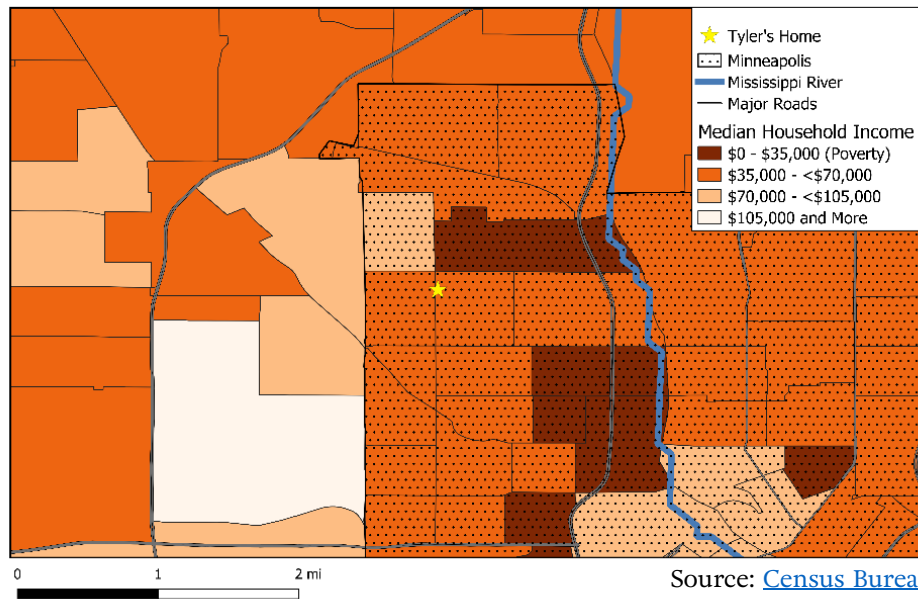
Below, we look at the demographics of the neighborhoods of Northwest Minneapolis. The neighborhood with the highest rate of home equity theft—more than 2 out of every 100 homes—has a median income below the [median income of the entire city \(\\$70,000\)](#), and 30% to 50% of the population is black or Hispanic.

for the city, including several neighborhoods with median incomes below the poverty line.

These communities are already struggling, and home equity theft is stealing family nest eggs and making these families dramatically poorer.

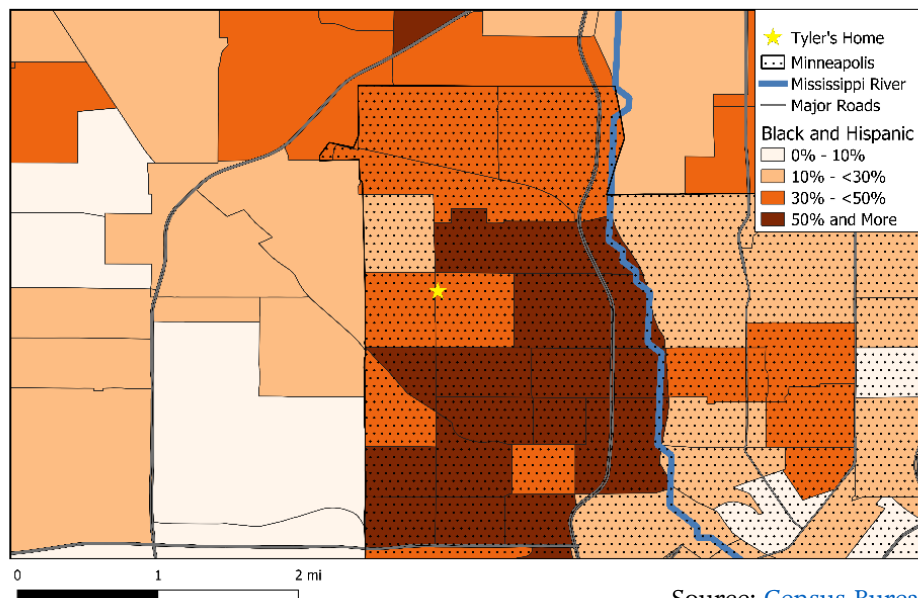
The other neighborhoods that have had at least 1 tax foreclosure for every 100 homes are majority black and Hispanic, and the median income of their residents are below the median income

Median Household Income in Northwest Minneapolis (Tract, 2018)



Source: [Census Bureau](#)

Percentage Black and Hispanic in Northwest Minneapolis (Tract, 2018)



Source: [Census Bureau](#)