



General Assembly

February Session, 2002

**Raised Bill No. 5450**

LCO No. 1523

Referred to Committee on Select Committee on Housing

Introduced by:  
(HSG)

**AN ACT CONCERNING THE AUTHORIZATION OF NEGATIVE EQUITY REFINANCING FUNDS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-265p of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2002*):

3 The authority shall establish, within the resources allocated by the  
4 State Bond Commission to the Department of Economic and  
5 Community Development for the purposes of sections 8-265o to 8-  
6 265v, inclusive, a residential mortgage guarantee program. The  
7 purpose of the program shall be to enable residential mortgagors to  
8 obtain mortgage credit, otherwise unavailable, for the refinancing of  
9 existing mortgages. The authority shall implement the program in a  
10 manner designed to facilitate the qualifications of the loans guaranteed  
11 under the program for sale to one or more secondary mortgage  
12 markets for such loans. The authority shall compute the amount of  
13 guarantees authorized for the purposes of sections 8-265o to 8-265v,  
14 inclusive, on the basis of not more than ten times the resources  
15 allocated by the State Bond Commission to the Department of  
16 Economic and Community Development for such purposes, including

17 fees received pursuant to section 8-265t. Not later than October 1, 2002,  
18 sufficient funds shall be authorized to carry out the purposes of the  
19 program.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>

**Statement of Purpose:**

To implement the negative equity refinancing program.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*