



General Assembly

February Session, 2002

**Raised Bill No. 5457**

LCO No. 1491

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING PAYMENT OF REAL PROPERTY MORTGAGE  
LOAN PROCEEDS BY WIRE TRANSFER.**

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

1 Section 1. Section 36a-758 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 Any financial institution, as defined in subdivision (1) of section  
4 36a-41, as amended, or any other person who makes any loan (1) for  
5 the purchase of real property to be secured by a first mortgage on real  
6 property located in this state, or (2) to refinance an existing  
7 indebtedness secured by a mortgage, which loan is to be secured by a  
8 first mortgage on real property located in this state shall [ ] (A) at the  
9 time of the execution of such loan or at the termination of any right to  
10 rescind the loan transaction under 12 CFR 226, whichever is later, pay  
11 the loan proceeds to the mortgagor, to the mortgagor's attorney or to  
12 the mortgagee's attorney by a certified, bank treasurer's or cashier's  
13 check, or (B) not later than twenty-four hours before the scheduled  
14 time of the execution of such loan, pay the loan proceeds to the  
15 mortgagee's attorney by means of wire transfer.

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

**Statement of Purpose:**

To prevent a delay of closing when a person buys or sells a home by establishing time-limits for the wire transfer of certain mortgage loan proceeds.

*[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.]*