



General Assembly

January Session, 2003

Committee Bill No. 5123

LCO No. 2957

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT CONCERNING PAYMENT OF SECONDARY 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 Section 36a-758a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) Any person or entity engaged in the business of (1) making first
4 mortgage loans in this state and licensed in accordance with [sections
5 36a-485 to 36a-498, inclusive] part I(A) of chapter 668, or (2) making
6 secondary mortgage loans in the state and licensed in accordance with
7 part I(B) of chapter 668, that chooses to utilize a wire transfer to send
8 the loan proceeds to the mortgagee's attorney, shall transfer the loan
9 proceeds to the bank which holds the account of the mortgagee's
10 attorney by a wire transfer in a timely manner, but in any event not
11 later than the scheduled date and time of the closing of the loan, except
12 that in the case of a mortgage refinancing where any right of rescission
13 under 12 CFR 226.23 has terminated, any such wire transfer shall be in
14 a timely manner, but in any event not later than the disbursement date.

15 (b) The Commissioner of Banking may suspend, revoke or refuse to

16 renew a license pursuant to section 36a-51 issued to a person or entity
17 engaged in the business of making first mortgage loans or secondary
18 mortgage loans in this state and licensed in accordance with [sections
19 36a-485 to 36a-498, inclusive] part I(A) or I(B) of chapter 668, that fails
20 to comply with subsection (a) of this section.

This act shall take effect as follows:	
Section 1	October 1, 2003

Statement of Purpose:

To extend the "dry closings" law to secondary mortgage loans.

[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.]

Co-Sponsors: REP. DUFF, 137th Dist.