



General Assembly

**Substitute Bill No. 5123**

*January Session, 2003*

**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 Section 36a-758a of the general statutes is repealed and  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 In the case of a person or entity engaged in the business of making  
16 secondary mortgage loans in this state, the provisions of this  
17 subsection shall apply only to secondary mortgage loans to finance the  
18 acquisition or initial construction of the mortgagor's principal  
19 dwelling.

20 (b) The Commissioner of Banking may suspend, revoke or refuse to  
21 renew a license pursuant to section 36a-51 issued to a person or entity  
22 engaged in the business of making first mortgage loans or secondary  
23 mortgage loans in this state and licensed in accordance with [sections  
24 36a-485 to 36a-498, inclusive] part I(A) or I(B) of chapter 668, that fails  
25 to comply with subsection (a) of this section.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

**BA**      *Joint Favorable Subst.*