



General Assembly

January Session, 2003

Committee Bill No. 5371

LCO No. 3198

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT CONCERNING ELIGIBILITY FOR MORTGAGE FINANCING
FOR INDIVIDUALS SERVING IN THE MILITARY RESERVES.**

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

1 Section 1. Section 36a-737 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) No financial institution and no federal bank shall discriminate,
4 on a basis that is arbitrary or unsupported by a reasonable analysis of
5 the lending risks associated with the applicant for a given loan or the
6 condition of the property to secure it, in the granting, withholding,
7 extending, modifying, renewing or in the fixing of the rates, terms,
8 conditions or provisions of any home purchase loan, home
9 improvement loan or other mortgage loan on one-to-four-family
10 owner-occupied residential real property, solely because such property
11 is located in a low-income or moderate-income neighborhood or
12 geographical area, provided it shall not be a violation of this section if
13 the home purchase loan, home improvement loan or other mortgage
14 loan is made pursuant to a specific public or private program, the
15 purpose of which is to increase the availability of home purchase
16 loans, home improvement loans or other mortgage loans within a low-

17 income or moderate-income neighborhood or geographical area in
18 which such investment capital has generally been denied.

19 (b) No financial institution and no federal bank shall (1) disapprove
20 an application for a home purchase loan, home improvement loan or
21 other mortgage loan on one-to-four-family owner-occupied residential
22 real property, that is submitted by an applicant who is a member of
23 any reserve component of the armed forces of the United States, as
24 defined in section 27-103, solely on the basis of such membership or
25 being called into active duty, or (2) otherwise penalize said applicant,
26 solely on the basis of such membership or being called into active
27 duty, in making any other determination concerning the granting,
28 withholding, extending, modifying, renewing or fixing of the rates,
29 terms, conditions or provisions of any such loan.

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

Statement of Purpose:

To make it illegal for an individual's membership in a reserve unit or being called into active duty to adversely affect the individual's ability to obtain mortgage financing.

[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. CHRIST, 11th Dist.; REP. CURREY, 10th Dist.