



General Assembly

February Session, 2004

Raised Bill No. 5341

LCO No. 1241

01241_____BA_

Referred to Committee on Banks

Introduced by:
(BA)

**AN ACT CONCERNING THE VALIDATION OF MORTGAGE
RELEASES.**

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

1 Section 1. (NEW) (*Effective July 1, 2004*) (a) Notwithstanding the
2 provisions of chapter 846 of the general statutes, a release of mortgage
3 executed by any person other than an individual that is invalid
4 because it is not issued or executed by, or fails to appear in the name of
5 the record holder of the mortgage on one, two, three or four family
6 residential real property located in the state of Connecticut including,
7 but not limited to, a residential unit in any common interest
8 community, as defined in section 47-202 of the general statutes, shall
9 be as valid as if it had been issued or executed by, or appeared in the
10 name of the record holder of such mortgage unless an action
11 challenging the validity of the release is commenced and a notice of lis
12 pendens is recorded in the land records of the town where the release
13 is recorded within two years after the release is recorded, provided an
14 affidavit is recorded in the land records where the mortgage was
15 recorded which states the following:

16 (1) The affiant has been the record owner of the real property

17 described in the mortgage for at least two years prior to the date of the
18 affidavit;

19 (2) The recording information for the mortgage, any assignments
20 and release;

21 (3) Since the date of the recording of the release, the affiant has
22 received no demand for payment of all or any portion of the debt
23 secured by said mortgage and has received no notice or
24 communication that would indicate that all or any portion of the
25 mortgage debt remains due or owing;

26 (4) To the best of the affiant's knowledge and belief, the mortgage
27 has been paid in full.

28 (b) The provisions of subsection (a) of this section shall not apply to
29 any release obtained by forgery or fraud.

This act shall take effect as follows:	
Section 1	July 1, 2004

Statement of Purpose:

To facilitate the marketability of real estate titles by validating mortgage releases that have been recorded in the land records but are defective due to errors relating to mergers, servicing agreements and assignments.

[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.]