



House of Representatives

General Assembly

File No. 502

February Session, 2006

Substitute House Bill No. 5734

House of Representatives, April 12, 2006

The Committee on Judiciary reported through REP. LAWLOR of the 99th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REQUESTS FOR PAYOFF STATEMENTS.

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

1 Section 1. Section 49-10a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) A mortgagee shall, upon written request of the mortgagor or the
4 mortgagor's attorney or other authorized agent, provide a payoff
5 statement in writing to the person requesting [such] the payoff
6 statement on or before the date specified in such request, provided
7 such request date is at least ten business days [from] after the date of
8 receipt of the written request for a payoff statement. The written
9 request shall specify a "good through date" for the payoff statement. If
10 the request is made in connection with a default, the mortgagor's
11 attorney may make such written request directly to the mortgagee,
12 provided such written request contains a representation that the
13 person requesting the payoff statement is the mortgagor's attorney and
14 that the mortgagor has authorized the request.

15 (b) If the mortgagee fails to provide [such] the payoff statement on
 16 or before such request date, the mortgagee shall not be entitled to the
 17 payment of any interest on the mortgage loan which is secured by such
 18 mortgage which accrues after the expiration of such request date. If the
 19 mortgagee provides the payoff statement to the person requesting the
 20 [same] payoff statement after the expiration of such request date,
 21 interest on the mortgage loan which accrues after the receipt of [such]
 22 the payoff statement by the person who has requested it shall again be
 23 payable. The burden of proof shall be on the mortgagor with respect to
 24 the receipt by the mortgagee of the mortgagor's request for a payoff
 25 statement of the mortgage loan, and thereafter shall be on the
 26 mortgagee with respect to the receipt of the payoff statement by the
 27 mortgagor or the mortgagor's attorney or other authorized agent.

28 (c) The mortgagee shall not impose any fee or charge for the first
 29 payoff statement requested within a calendar year, unless the
 30 mortgagor or the mortgagor's attorney or other authorized agent
 31 requests expedited delivery of the payoff statement, agrees to pay a fee
 32 for such expedited delivery and the payoff statement is provided by
 33 the agreed upon date.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	49-10a

JUD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes various changes to the law regarding payoff statements and has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sHB 5734

AN ACT CONCERNING REQUESTS FOR PAYOFF STATEMENTS.

SUMMARY:

By law, a mortgagee must, upon written request of the mortgagor or his attorney or other authorized agent, provide a written payoff statement by the date the request specifies, if this date is at least 10 business days after the date the mortgagee received the written request.

The bill requires that the request specify a "good through date" for the payoff statement. If the request is made in connection with a default, the bill authorizes the mortgagor's attorney to make the request directly to the mortgagee, if the request specifies that the person asking for the payoff statement is the mortgagor's attorney and that the mortgagor has authorized the request.

EFFECTIVE DATE: October 1, 2006

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 38 Nay 0 (03/27/2006)