

To: Members of the Judiciary Committee

From: Connecticut Bankers Association
Contacts: Tom Mongellow or Fritz Conway

Re: House Bill 5734, AAC TIME LIMITS FOR PROVIDING PAYOFF
STATEMENT TO MORTGAGORS

Position: Oppose

H.B. 5734 adds a lenders attorney as an additional person who must provide a payoff statement to a borrower and reduces the time frame to provide that payoff statement from ten to five days.

We oppose this approach due to the potential delays that will happen because the attorney may not deliver the payoff statement request to the bank in a timely manner. The bank may have to suffer a loss in interest income on the loan through no fault of it's own. This may particularly happen with out of state lenders. The reduced timeframe from ten to five days is unworkable.

Banks frequently need additional time after receiving a request for a payoff notice to verify the requestor's identity. Small community banks during busy mortgage origination periods, may not have enough staff to meet the proposed five day limit. Suspicious activities may warrant additional investigation prior to providing the payoff notice. (such as elderly fraud).

For all the above reasons we urge your opposition to H. B. 5734.