

March 10, 2006

To: Members of the Judiciary Committee

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

**Re: SENATE BILL 549, AN ACT CONCERNING THE COMMON
INTEREST FORM OF OWNERSHIP MORTGAGES AND REAL
ESTATE FINANCING**

Position: Support with Revisions

Our concern with SB 549 surrounds section 5, which reduces the time after which a mortgage may be discharged.

While we have no concern with reducing the time period for mortgages that have a specified term, (typically a thirty or fifteen year mortgage), we are concerned that newer mortgage products which may last to 40 years, and may be of an unspecified term, would be prematurely discharged under this statute.

We would look forward to working with the Committee on language that would ensure that the discharge of these longer term mortgages would not adversely impact the offering of such products.

The second issue we have is the removal of the affidavit requirement in lines 152 through 155. This requirement is important since you have a significant event in the discharging of a mortgage. The person in possession of the property should at the very least have to swear in an affidavit that they have met the terms of the law, necessary to invoke Section 5 of the bill. This would also constitute a record of the event, for recording on the land records.

We ask the Committee to leave the affidavit section in the bill as it exists today.