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Testimony of Edward Rosenblatt, Member, Executive Committee,
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House Bill 5399
An Act Concerning Requests for Mortgage Payoff Statements
Judiciary Committee
March 12, 2007

Senator McDonald, Representative Lawlor and members of the Judiciary Committee, thank you for the opportunity to appear before the committee to comment on House Bill 5399, An Act Concerning Requests for Mortgage Payoff Statements.

My name is Edward Rosenblatt. I am a member of the Executive Committee of the Real Property Law Section of the Connecticut Bar Association and an attorney with Fidelity National Title Insurance Company. The CBA Real Property Law Section has a great interest in bills affecting title to real estate and real property conveyancing procedures. On behalf of the section, I respectfully request that the Judiciary Committee **amend** and **act favorably** on House Bill 5399.

The Section supports House Bill 5399 but respectfully requests that the committee amend the provisions of the bill to clarify and limit its applicability. House Bill 5399 would require that requests for mortgage payoff statements contain a "good through" date. A "good through" date is a date set forth in a mortgage payoff letter by which a borrower may make repayment of the stated amount before additional fees or costs are imposed. "Good through" dates are particularly beneficial when the mortgage is in default or when foreclosure is imminent because they provide additional predictability for both sides. In addition, the Section believes that the bill's provision which permits a

payoff request to be made either to the mortgagee or its attorney may help reduce costs and expenses incurred by the mortgagee, including attorneys' fees.

The Section suggests that **substitute language** be considered to clarify that the bill's applicability should be **limited only to mortgage default situations** before the committee acts to approve the bill. "Good through" dates are not helpful in non-default situations, such as refinances, or payoffs made in connection with a sale. Payoff amounts in non-default situations can be calculated to any date using the customary per diem interest charge set forth in payoff letters, without concern for costs, fees or charges which arise and accrue after default. "Good through" dates in such letters would be unnecessarily restrictive and would require the mortgagee or his representative to request a new payoff statement any time a closing is delayed. You need not work for a title insurance company to know that closings are frequently delayed.

Thank you for allowing me the opportunity to comment on House Bill 5399. The CBA Real Property Law Section respectfully requests that the Judiciary Committee **amend** and **approve** the bill.

I'd be happy to hear any of your questions.