



General Assembly

February Session, 2008

**Raised Bill No. 5164**

LCO No. 1553

\*01553\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT CONCERNING BUYER PROTECTION IN FORECLOSURE BY SALES.**

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

1 Section 1. Section 49-26 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 (a) When a sale has been made pursuant to a judgment therefor and  
4 ratified by the court, a conveyance of the property sold shall be  
5 executed by the person appointed to make the sale, which conveyance  
6 shall vest in the purchaser the same estate that would have vested in  
7 the mortgagee or lienholder if the mortgage or lien had been  
8 foreclosed by strict foreclosure, and to this extent such conveyance  
9 shall be valid against all parties to the cause and their privies, but  
10 against no other persons. The court, at the time of or after ratification  
11 of the sale, may order possession of the property sold to be delivered  
12 to the purchaser and may issue an execution of ejectment after the time  
13 for appeal of the ratification of the sale has expired.

14 (b) If the property to be delivered to the purchaser, pursuant to a  
15 ratified judgment of sale, suffers intentional property damage,

16 including, but not limited to, removal of fixtures or personal property  
17 from the property sold, in the time period between the sale of the  
18 property and prior to the date of possession by the purchaser, the  
19 purchaser may appeal to the court to reopen the court's ratification of  
20 the sale or to rescind or modify the purchaser's agreement to purchase.  
21 If the court finds that the intentional property damage was not caused  
22 by the purchaser and diminishes the value of the property, the court  
23 may rescind its ratification of the sale or permit the purchaser to  
24 rescind or modify its agreement to purchase.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2008	49-26
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**Statement of Purpose:**

To create a statutory cause of action and remedy for purchasers of foreclosed property where the property value is diminished through intentional damage during the period of time between the sale of the property and possession by the purchaser.

*[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.]*