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DEPUTY SENATE MINORITY LEADER

RANKING MEMBER
Appropriations Committee
General Law Committee

MEMBER
Internship Committee

Date: February 28, 2008

To: Senator Bob Duff Representative Ryan Barry
Senator Rob Kane Representative John Ryan
Members of the Banks Committee

From: Senator David Cappiello

Re: *H.B. 5023, An Act Appropriating Funds for a Program of Continuing Education for Residential Mortgage Brokers and Originators.*

Senators Duff and Kane, Representatives Barry and Ryan, members of the Banking Committee, I am here to testify in favor of **HB 5023, An Act Appropriating Funds for a Program of Continuing Education for Residential Mortgage Brokers and Originators.**

The current sub-prime market crisis has brought to light the fact that Connecticut does little to regulate those who sell mortgage loans. Right now we are witnessing throughout the country people who have received bad advice from their mortgage loan originator. These people can no longer afford to pay the mortgage they agreed to and are being forced to foreclose.

Buying a new home is one of the biggest life decisions someone can make. Consumers have a right to know that when they are receiving advice from a mortgage loan originator they are getting it from someone who is qualified to sell them the loan. Currently there are no educational requirements for mortgage loan originators. In fact, someone with absolutely no background in the mortgage business can get hired by a mortgage company and sell mortgages. People need to know that the person they are dealing with to finalize their mortgage is educated and trained in this field, and that assurance comes with proper training. HB 5023 would require all mortgage loan originators to be licensed by the state. Under this legislation mortgage brokers and originators would be required to complete certain education requirements for obtaining and renewing a license.

For over 10 years I have worked as a loan originator and most of the people I know in the business of providing home loans are hard-working decent people. But as we have begun to see there are some loan originators who have wrongly taken advantage of their customers. In order to give consumers who might be financing or refinancing their home mortgage the peace of mind they deserve, we need to have in place a licensing system that provides training and education to those who provide this service. This initiative provides an important mechanism that will increase consumer confidence as well as increase the accountability of mortgage providers.

Thank you very much for your time and consideration.