



**State of Connecticut**  
**DIVISION OF CRIMINAL JUSTICE**

**Testimony of the Division of Criminal Justice**  
**Joint Committee on Banks – February 24, 2009**

In support of:

- **H.B. No. 6367 An Act Concerning Mortgage Practices**

The Division of Criminal Justice would respectfully recommend the Committee's Joint Favorable for H.B. No. 6367, An Act Concerning Mortgage Practices. This bill would establish a new felony offense of Mortgage Fraud. This new and separate offense is necessary for the effective prosecution of fraud in the mortgage process. This bill would allow for the prosecution of conduct that might now fall somewhere in between the existing Larceny and Forgery statutes, but not well enough within either to allow for prosecution.

It is also important that this offense be classified as a felony. Not only is the conduct involved worthy of the penalties and other implications that accompany a felony conviction, but it is also important that the offense carry a five-year statute of limitations. Mortgage fraud does not involve conduct that is generally easy to detect or to investigate. These cases would typically be referred to the Statewide Prosecution Bureau in the Office of the Chief State's Attorney. This specialized bureau handles complex investigations, including financial and white-collar crimes. It is our clear experience that such investigations can and do take time, and the five-year statute of limitations that is provided by in statute for a felony offense would allow for the effective detection, investigation and prosecution of this conduct.

In conclusion, the Division of Criminal Justice recommends the Committee's Joint Favorable Report for H.B. No. 6367, An Act Concerning Mortgage Practices. We would be happy to provide any additional information or to answer any questions the committee might have.