



CONNECTICUT BANKERS ASSOCIATION

March 6, 2012

To: Members of the Banks Committee

**Fr: Connecticut Bankers Association
Contacts: Tom Mongellow, Fritz Conway**

**Re: Senate Bill 159: AN ACT CONCERNING A REPEAL OF THE PROVISION
AUTHORIZING FORECLOSURE BY A HOLDER OF A NOTE WHO DOES
NOT HAVE LEGAL TITLE**

POSITION: OPPOSE

This bill would repeal Section 49-17 of the General Statutes. The CBA believes that this bill is unnecessary and would simply add uncertainty to the legal framework that surrounds foreclosures in Connecticut. We urge Committee members to oppose this bill.

Section 49-17 codifies a long-standing principle of common law. It confirms that the security (i.e., the mortgage deed) follows the debt. The statute allows the rightful holder of the note (i.e., the document which evidences the delinquent debt) to commence a foreclosure action in cases where the actual assignment of the mortgage document might take place at a later point in time.

Connecticut has a judicial foreclosure system that provides all parties with an opportunity to resolve legitimate disputes. The repeal of Section 49-17 would not add anything beneficial to that process. It would simply add confusion as to what was intended by the legislature. This could invite additional, unnecessary disputes and introduce further delays into an already lengthy foreclosure process.

We strongly encourage Committee members to oppose this legislation.