



General Assembly

February Session, 2012

Amendment

LCO No. 3071

HB0541403071HDO

Offered by:

REP. TONG, 147th Dist.
SEN. DUFF, 25th Dist.
REP. ALBERTS, 50th Dist.
SEN. FRANTZ, 36th Dist.

To: House Bill No. 5414

File No. 230

Cal. No. 198

"AN ACT CONCERNING THE ELIMINATION OF THE INTEREST RATE FLOOR FOR TAX AND INSURANCE ESCROW ACCOUNTS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (a) of section 49-2a of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2012*):

6 (a) On and after July 1, 1993, each state bank and trust company,
7 national banking association, state or federally chartered savings and
8 loan association, savings bank, insurance company and other
9 mortgagee or mortgage servicing company holding funds of a
10 mortgagor in escrow for the payment of taxes and insurance premiums
11 with respect to mortgaged property located in this state shall pay
12 interest on such funds, except as provided in section 49-2c, at a rate of

13 not less than the average rate paid, as of December 30, 1992, on savings
 14 deposits by insured commercial banks as published in the Federal
 15 Reserve Board Bulletin and rounded to the nearest one-tenth of one
 16 percentage point, except in no event shall the rate be less than one and
 17 one-half per cent. On and after January 1, 1994, until September 30,
 18 2012, the rate for each calendar year shall be not less than the deposit
 19 index as defined in subsection (c) of this section for that year and
 20 rounded to the nearest one-tenth of one percentage point, except in no
 21 event shall the rate be less than one and one-half per cent. On and after
 22 October 1, 2012, the rate for each calendar year shall be not less than
 23 the deposit index as defined in subsection (c) of this section for that
 24 year and rounded to the nearest one-tenth of one percentage point.
 25 Interest payments shall be credited on the thirty-first day of December
 26 annually toward the payment of taxes or insurance premiums as the
 27 case may be, on such mortgaged property in the ensuing year. If the
 28 mortgage debt is paid prior to December thirty-first in any year, the
 29 interest to the date of payment shall be paid to the mortgagor. The
 30 provisions of this section shall apply only with respect to mortgages on
 31 owner-occupied residential property consisting of not more than four
 32 living units and housing cooperatives occupied solely by the
 33 shareholders thereof. Any mortgagee or mortgage servicing company
 34 violating the provisions of this section shall be fined not more than one
 35 hundred dollars for each offense."

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	49-2a(a)