
OLR Bill Analysis

sHB 5417

AN ACT CONCERNING BROKER PRICE OPINIONS FOR MORTGAGE LOAN MODIFICATIONS.

SUMMARY:

This bill extends the exemption from real estate appraiser certification and licensing to any licensed real estate broker or sales person with at least five years experience who estimates the value of real estate as part of a mortgage loan modification. The broker or sales person may provide an estimate, for (a) the mortgagee or the mortgagee's agent, or (b) an attorney representing the mortgagee or the mortgagee's agent, or (c) the owner of the real estate. The parties must agree to the terms of the estimate.

The purpose of the estimate must be to provide information for a mortgage loan modification to a mortgagee, a mortgage servicer, or an attorney representing a mortgagee, mortgage servicer or owner of real estate secured by a mortgage loan. The bill defines "loan modification" as a modification to an existing loan made by a lender in response to a borrower's long-term inability to repay the loan. The modification may involve a reduction in the loan's interest rate, an extension of the loan's term length, or both.

Current law exempts from real estate appraiser certification and licensing:

1. anyone under contract with a municipality who performs a revaluation of real estate for assessment purposes and
2. licensed real estate brokers or salespeople who estimate the value of real estate as part of a market analysis for the real estate owner or the owner's designee.

As under current law for those exempt from the appraiser

requirements, the bill specifies that the real estate broker's or salesperson's estimate must not be referred to or construed to be a real estate appraisal.

COMMITTEE ACTION

Banks Committee

Joint Favorable Substitute

Yea 11 Nay 7 (03/20/2012)