

April 15, 2013

**TO: Members of the Judiciary Committee**

**FROM: Connecticut Bankers Association  
Tom Mongellow, Fritz Conway**

**RE: S.B. No. 1161, AN ACT CONCERNING A PROPERTY OWNER'S FAILURE TO RECORD A  
CONVEYANCE OF REAL ESTATE ON THE LAND RECORDS**

**POSITION: Oppose**

The bill would mandate the recording of a real estate conveyance, including mortgage assignments, within 30 days after there is a transfer. If they are not recorded, a fine of \$100 per day would be assessed on the new owner of the property, the grantee. That fine would hold a super priority lien status, with all the rights of a tax lien, which includes the assessment of interest at an 18% annual rate.

We are strongly opposed to this concept as it will create numerous and unnecessary risks when lending on real property in the State. As we have testified this session on a number of bills that seek to levy fines and change recording practices for the recording of assignments, this concept will:

- Create unnecessary title risks and direct costs for borrowers in the form of increased title insurance premiums

- Dramatically and unfairly penalize anyone who may have inadvertently not recorded the conveyance or assignment.

- Be disruptive to the lending on Connecticut mortgages and selling them in national secondary mortgage market.

- Make loans more costly and risky for both homeowners and lenders.

As the State's housing market and economy are just starting to show signs of improvement, these concepts would not be helpful and we urge your opposition to S.B. 1161.