



Senate Bill 130, An Act Concerning the Payment of First or Secondary Mortgage Loan Proceeds by Wire Transfer
Banks Committee
February 25, 2014

The Connecticut Mortgage Association represents mortgage professionals in the residential financing industry across the state. It is the only organization that represents the interests of everyone in the mortgage origination process. CMA advocates for all persons involved in making real estate financing available, affordable and responsible.

CMA supports Senate Bill 130, An Act Concerning the Payment of First or Secondary Mortgage Loan Proceeds by Wire Transfer. CMA, however, respectfully requests a technical correction to the bill before it is approved.

Senate Bill 130 would require residential mortgage lenders that wire loan proceeds to the mortgagee's attorney to transfer the proceeds to the bank in a timely manner, but no later than the scheduled date and time of the closing of the loan. The bill is designed to address concerns regarding the difficulties of closing and scheduling the settlement of so-called 'good' funds and the potential violation of the Attorney Settlement Agent's ethical obligation not to commingle funds of different clients.

The challenge for some mortgage lenders is that once they place an order for a wire transfer, they do not actually control what happens next in the process. Some banks and the Federal Reserve in New York treat wires differently and at different paces.

Thus, CMA respectfully requests that Senate Bill 130 be amended to specify that lenders order the loan proceeds to the bank that holds the account of the mortgagee's attorney by a wire transfer. To accomplish this, 'transfer' in line 5 of the bill should be deleted and 'order' substituted in lieu thereof.

For additional information or any questions concerning Senate Bill 130, please contact Matthew Hallisey, Legislative Counsel to the Connecticut Mortgage Association, at 860-978-7346.