



General Assembly

February Session, 2014

Raised Bill No. 226

LCO No. 1108



Referred to Committee on BANKS

Introduced by:
(BA)

AN ACT CONCERNING INFORMED CONSENT FOR REVERSE MORTGAGE TRANSACTIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014*) A creditor who enters
2 into a reverse mortgage transaction, as defined in 12 CFR 226.33, with
3 a resident of this state who resides with another individual who is not
4 a party to such transaction in a dwelling that, by virtue of such
5 transaction, is secured by a mortgage, deed of trust, or equivalent
6 consensual security interest shall (1) advise such individual in plain
7 language of the consequences to such individual with regard to such
8 dwelling when any principal, interest, or shared appreciation or equity
9 becomes due and payable to the creditor upon the death of such
10 resident, the transfer of such dwelling by such resident or such
11 resident ceasing to occupy such dwelling as a principal dwelling, and
12 (2) obtain such individual's consent to enter into such reverse
13 mortgage transaction with such resident.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2014</i>	New section
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Statement of Purpose:

To require creditors to obtain the informed consent for a reverse mortgage transaction from any individual who is not a party to the transaction but who resides with the individual who is a party to the transaction.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]