

March 8, 2016

To: Members of the Banking Committee

Fr: Connecticut Bankers Association

Contacts: Tom Mongellow, Fritz Conway

Re: S.B. No. 410 AN ACT REPEALING THE MORTGAGOR IN GOOD STANDING STATUTE

Position: Support

This proposal would repeal an unnecessary provision of law which could unintentionally create consumer confusion with regards to using the “certificate of good standing” to enhance their credit score. Credit reporting agencies are governed by federal law and are not required to accept the certificates. Therefore the statute gives consumers a false sense as to the value and functional utility of the certificates. This can prompt consumers (and responding creditors) to engage in process that has no meaningful benefit. Additionally, the certificate could result in fraudulent schemes from so called “credit repair” companies that may promise increased credit scores by delivering the certificate to credit reporting companies.

We urge the Committee’s support of Senate Bill 410.