



General Assembly

February Session, 2016

Raised Bill No. 163

LCO No. 1082



Referred to Committee on AGING

Introduced by:
(AGE)

AN ACT PROVIDING PROTECTIONS FOR CONSUMERS APPLYING FOR REVERSE MORTGAGES.

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

1 Section 1. (NEW) (*Effective October 1, 2016*) (a) No entity, including,
2 but not limited to, any Connecticut bank or Connecticut credit union,
3 shall accept a final and complete application for a reverse annuity
4 mortgage loan, as defined in section 36a-265 of the general statutes, or
5 assess any fees for such mortgage, unless such entity has:

6 (1) (A) Informed the prospective applicant of the counseling
7 requirement in subdivision (2) of this subsection, and (B) provided the
8 prospective applicant with a list of at least three independent housing
9 counseling agencies approved by the United States Department of
10 Housing and Urban Development to engage in reverse annuity
11 mortgage loan counseling, as provided in 24 CFR 206.300, as amended
12 from time to time. No such counseling agency shall receive any
13 compensation, either directly or indirectly, from the lender or from any
14 other person or entity involved in originating or servicing the loan;

15 (2) Received a signed certification from the prospective applicant or
16 the prospective applicant's authorized representative that the applicant
17 has received counseling from an independent housing counseling
18 agency, as described in subdivision (1) of this subsection;

19 (3) Provided the prospective applicant, prior to his or her counseling
20 session with the independent housing counseling agency's counselor,
21 with a reverse annuity mortgage loan worksheet containing issues that
22 the prospective applicant is advised to consider and discuss with the
23 counselor; and

24 (4) Received a signed certification from the prospective applicant or
25 the prospective applicant's authorized representative that either: (A)
26 The reverse annuity mortgage loan origination, or (B) the counseling
27 session required by subsection (2) of this section was conducted in
28 person. Any counseling not conducted in person shall be conducted by
29 telephone. The certification shall be signed by the prospective
30 applicant and either the independent housing counseling agency's
31 counselor or the reverse annuity mortgage loan originator and shall
32 include the date of the meeting or counseling session, and the name,
33 address and telephone number of both the prospective applicant and
34 either the counselor or the loan originator. The lender shall maintain
35 the certification in an accurate, reproducible and accessible format for
36 the term of the reverse annuity mortgage loan.

37 (b) A violation of the provisions of this section shall be deemed an
38 unfair or deceptive act or practice in the conduct of trade or commerce
39 pursuant to subsection (a) of section 42-110b of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	New section

Statement of Purpose:
To provide consumer protections during the application process for a reverse annuity mortgage loan.

[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.]