



General Assembly

Corrected Copy
Raised Bill No. 403

February Session, 2016

LCO No. 2623

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Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING FORECLOSURE BY COMMERCIAL POWER OF SALE.

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

1 Section 1. (NEW) (*Effective October 1, 2016*) (a) As used in this
2 section, sections 2 to 7, inclusive, of this act and section 12-498 of the
3 general statutes, as amended by this act, "statutory power of sale"
4 means a clause that is written into any mortgage deed or incorporated
5 by reference into any mortgage deed granted by a corporation,
6 partnership, including a limited partnership or a limited liability
7 partnership, or limited liability company, that gives the mortgagee the
8 power to foreclose nonjudicially upon a mortgage.

9 (b) The statutory power of sale may not be used to foreclose a
10 mortgage granted by a religious corporation organized under the
11 provisions of section 33-264a of the general statutes or to foreclose a
12 mortgage that encumbers real estate improved by a one-to-four family
13 dwelling if, at the time the mortgage deed is given, one of the units is

14 the principal residence of an individual who is personally obligated on
15 the debt that is secured by the mortgage deed. If a mortgage deed
16 contains a statement, at the time the mortgage deed is given, that the
17 mortgagor is not a religious corporation organized under the
18 provisions of section 33-264a of the general statutes and the real estate
19 encumbered by the mortgage deed is not improved by a one-to-four
20 family dwelling that is used, in whole or in part, as a principal
21 residence of an individual who is personally obligated on the debt that
22 is secured by the mortgage deed, then such statement shall
23 conclusively establish the facts contained therein.

24 (c) In any mortgage deed in which a statutory power of sale is
25 permitted to be used in accordance with this section, the use of the
26 words "statutory power of sale", or similar language in a mortgage
27 deed, shall mean that the mortgage deed provides for a statutory
28 power of sale enforceable by the mortgagee in accordance with the
29 provisions of this section, sections 2 to 7, inclusive, of this act and
30 section 12-498 of the general statutes, as amended by this act. Upon
31 any default in the performance or the observance of the conditions on
32 or requirements of the mortgage deed, including, but not limited to,
33 any obligations to repay the debt that is secured by the mortgage deed
34 the mortgagee or the mortgagee's executors, administrators, successors
35 or assigns, acting by and through a duly authorized attorney in his or
36 her capacity as a commissioner of the Superior Court admitted to
37 practice in the state, may sell, by way of a public sale, the mortgaged
38 premises, or, in the event of any partial release of such mortgage deed,
39 the portion of the mortgaged premises that remains subject to the
40 mortgage deed, either as a whole or in parcels, together with any
41 improvements to the mortgaged premises. Such public sale shall take
42 place (1) in the town where the mortgaged premises is located, (2) if
43 more than one parcel is subject to such mortgage deed, then in the
44 town where one of such parcels is located, or (3) in any other place
45 designated in the mortgage deed. Such sale of the mortgaged premises
46 or portion of the mortgaged premises shall comply with the terms of

47 the mortgage deed and the provisions of this section, sections 2 to 7,
48 inclusive of this act, and section 12-498 of the general statutes, as
49 amended by this act. The mortgagee or the mortgagee's executors,
50 administrators, successors or assigns or the agent or attorney of the
51 mortgagee or the mortgagee's executors, administrators, successors or
52 assigns may convey the mortgaged premises by proper deed or deeds
53 to the purchaser or purchasers in fee simple. Such sale of the
54 mortgaged premises forever bars the mortgagor and all persons
55 claiming under the mortgagor from all rights and interests at law or in
56 equity in the mortgaged premises.

57 (d) In the case of a mortgage deed that does not originally include,
58 or incorporate by reference, the statutory power of sale, a mortgagor
59 may subsequently execute an addendum to the mortgage deed that
60 includes, or incorporates by reference, the statutory power of sale.

61 (e) Nothing in this section or sections 2 to 7, inclusive, of this act
62 shall prevent a mortgagee from foreclosing a mortgage deed by strict
63 foreclosure or foreclosure by sale as otherwise provided by law.

64 (f) If a mortgage deed containing a statutory power of sale secures a
65 debt or other obligation that is secured by more than one mortgage
66 deed, foreclosure by statutory power of sale of one of the mortgages
67 shall not be a bar to foreclosure of any of the other mortgages by
68 statutory power of sale or by other means permitted by law.

69 (g) The foreclosure of a mortgage deed by statutory power of sale
70 shall be ineffective to foreclose the interests of a tenant who (1) is not
71 the mortgagor or owner of the property, and (2) is occupying all or a
72 portion of the property for residential purposes.

73 (h) Notwithstanding the provisions of section 49-1 of the general
74 statutes, the foreclosure of a mortgage deed by statutory power of sale
75 shall not be a bar to any further action upon the mortgage debt, note or
76 other obligation against the person or persons who are liable for the
77 payment of such debt, note or obligation to recover any deficiency

78 resulting from the exercise of the statutory power of sale.

79 Sec. 2. (NEW) (*Effective October 1, 2016*) (a) A notice of intention to
80 foreclose by statutory power of sale required by subsection (c) of
81 section 1 of this act shall be (1) in writing and contain the provisions
82 required under subsection (b) of this section, (2) served upon persons
83 described in subsection (c) of this section in the manner for service of
84 process required under chapter 896 of the general statutes or section
85 33-929 of the general statutes to commence a civil action, and (3)
86 recorded in the land records of the town in which the real property
87 subject to foreclosure by statutory power of sale is located.

88 (b) A notice of intention to foreclose by statutory power of sale shall
89 state: (1) The property encumbered by the mortgage deed to be
90 foreclosed by statutory power of sale; (2) the default or defaults; (3) the
91 action required to cure the default or defaults; (4) a date, not less than
92 sixty days from the date notice is given to the mortgagor, by which the
93 default or defaults must be cured in order to avoid the sale; and (5)
94 whether the mortgagee has accelerated maturity of the debt or the
95 maturity date of the debt has occurred.

96 (c) Notice of the intention to foreclose by statutory power of sale
97 shall be served on:

98 (1) The mortgagor or a representative in interest of the mortgagor,
99 except such notice may be sent by registered or certified mail (A)
100 addressed to the mortgagor or the mortgagor's representative at the
101 mortgagor's last known address, (B) to any person and to any address
102 agreed upon in the mortgage deed, or (C) to any address provided in
103 writing by the mortgagor to the mortgagee.

104 (2) Any residential tenant of the property if the mortgagee knows or
105 should know by exercise of due diligence that the property is occupied
106 as a residential rental unit. Upon request from a mortgagee, the
107 mortgagor or its representative in interest shall provide the name,
108 address and other contact information for any residential tenant.

109 Notice to a residential tenant may be served on the residential tenant
110 by marshal, sent by first class mail to the residential tenant's last
111 known address or posted conspicuously at each entrance to the
112 mortgaged premises. The failure to provide the notice required by this
113 subdivision does not affect the validity of the foreclosure by statutory
114 power of sale.

115 (3) All other parties in interest, except for parties in interest having
116 superior priority to the foreclosing mortgagee or a claim to the subject
117 property that is recorded in the land records of the town in which the
118 real property subject to foreclosure by statutory power of sale is
119 located at the time of recording of the notice of intention to foreclose
120 by statutory power of sale. The notice shall be sent to the address, if
121 any, listed in the instrument evidencing the interest, and, if none is
122 listed, to the registered agent for the party in interest or to any other
123 address that may be readily available to the mortgagee. Failure to
124 notify any party in interest, other than the mortgagor, does not
125 invalidate the foreclosure as to other parties in interest to whom notice
126 was given.

127 Sec. 3. (NEW) (*Effective October 1, 2016*) (a) The mortgagor may cure
128 a default or defaults in the performance of the conditions or
129 requirements of a mortgage deed, prevent the foreclosure by statutory
130 power of sale or other disposition of the mortgaged premises and
131 reinstate the mortgage deed by tendering the payment or performance
132 due under the mortgage deed as provided in subsection (b) of this
133 section, except as to a mortgage debt that is due and payable as a result
134 of the maturity date having occurred not later than fifteen days prior
135 to the sale under a foreclosure by statutory power of sale.

136 (b) To the extent permitted by subsection (a) of this section, the
137 mortgagor may cure the default or defaults and avoid the operation of
138 any acceleration clause in the mortgage deed by: (1) Paying all sums
139 that would have been due at the time of payment in the absence of any
140 acceleration clause; (2) performing any other obligation the mortgagor

141 would have been bound to perform in the absence of any acceleration
142 clause; and (3) paying the costs of the proceeding to foreclose that are
143 reasonably incurred by the mortgagee, including, but not limited to,
144 reasonable attorney's fees of the mortgagee.

145 (c) At any time after receiving notice of the default or defaults, the
146 mortgagor may waive such right to cure in writing.

147 (d) At any time up to the time of the sale under a foreclosure by
148 statutory power of sale, the mortgagor may redeem the real property
149 from the mortgage deed being foreclosed by statutory power of sale by
150 paying the entire indebtedness and other sums due under the
151 mortgage deed and all costs reasonably incurred in connection with
152 the proceeding to foreclose, including reasonable attorney's fees of the
153 mortgagee.

154 Sec. 4. (NEW) (*Effective October 1, 2016*) (a) The mortgagee, after the
155 mortgagor's default and upon compliance with the provisions of
156 sections 1 to 7, inclusive, of this act, may sell all or any part of the
157 mortgaged premises that is subject to the mortgage deed. A sale under
158 a foreclosure by statutory power of sale shall convey title to the
159 property free and clear of the interest of the mortgagor and of all other
160 parties in interest who have been given notice in accordance with the
161 provisions of subsection (c) of section 2 of this act. The sale may be by
162 public sale, as a unit or in parcels, at any time and place and on any
163 terms, including, but not limited to, sale on credit. The sale shall be
164 conducted by a commissioner of the Superior Court admitted to
165 practice in the state appointed by the mortgagee who is not an
166 employee of the mortgagee. Every aspect of the sale, including the
167 method, advertising, time, place, deposit and terms shall be
168 commercially reasonable, provided a sale that complies with the
169 requirements of subsection (c) of this section shall be deemed to be
170 commercially reasonable. The mortgagee shall give to persons entitled
171 to notice under subsection (c) of section 2 of this act written notice of
172 the time and place of the sale. The notice of a foreclosure by statutory

173 sale shall be given not less than thirty days prior to any sale. Such
174 notice shall either be served in accordance with subsection (a) of
175 section 2 of this act or be delivered by both certified mail, return
176 receipt requested, and first class mail. The notice required by this
177 subsection shall be deemed given and complete upon being served in
178 accordance with subsection (a) of section 2 of this act or three days
179 after being deposited in the United States mail with postage prepaid,
180 as applicable. The sale may not be held earlier than thirty days after
181 giving the notice required by this subsection. A mortgagee may bid on
182 and purchase any real property sold at such sale, provided the
183 mortgagee is the highest bidder.

184 (b) At the time of acceptance of a bid at a public sale under this
185 section, the successful bidder, other than the foreclosing mortgagee,
186 shall pay the required deposit to the commissioner of the Superior
187 Court conducting the sale and execute and deliver to such
188 commissioner a contract to purchase the real property, which may be a
189 bond for deed. If the highest bidder fails to perform on the agreement,
190 not later than thirty days after the date of sale, the commissioner of the
191 Superior Court conducting the sale may execute a purchase and sale
192 agreement with the next highest bidder and the deposit of the highest
193 bidder may be retained or recovered as liquidated damages. If the
194 foreclosing mortgagee is the highest bidder or becomes the highest
195 bidder by failure of a bidder to perform a purchase and sale
196 agreement, a purchase and sale agreement need not be executed. Any
197 sums retained or recovered by the mortgagee under this subsection
198 shall be applied to the payment of the debt secured by the mortgage
199 deed in the same manner as the proceeds of a completed sale.

200 (c) A sale under this section shall be deemed commercially
201 reasonable if: (1) The commissioner of the Superior Court appointed to
202 conduct the sale complies with all applicable requirements for notice
203 and sale as provided in sections 1 to 7, inclusive, of this act; (2) notice
204 of the sale, including the address of the real property to be sold, the
205 date, place and time of the sale, the amount of the deposit required at

206 the sale and the name and telephone number of the commissioner of
207 the Superior Court conducting the sale, is posted at the location of the
208 real property not less than thirty days before the date of sale; and (3)
209 the sale is advertised in a newspaper of general circulation in the town
210 where the real property is located, at least once each week for three
211 successive weeks before the sale, in substantially the form customarily
212 used for notices of judicial sale of real property and includes the
213 address of the real property to be sold, the date, place and time of the
214 sale, the amount of the deposit required at the sale and the name and
215 telephone number of the commissioner of the Superior Court
216 conducting the sale. A mortgagee, after serving a notice of intention to
217 foreclose by statutory power of sale under section 2 of this act, is
218 authorized to enter upon the real property for the purpose of posting
219 the notice of sale required under this subsection.

220 (d) The commissioner shall convey title by a mortgagee statutory
221 power of sale deed as provided in the applicable contract for sale and
222 as provided in section 7 of this act.

223 (e) Before the recording of the deed conveyed pursuant to
224 subsection (d) of this section, the commissioner of the Superior Court
225 appointed to sell the real property in accordance with this section shall
226 cause to be recorded on the land records of the town in which the real
227 property subject to foreclosure by statutory power of sale is located a
228 certificate of foreclosure of mortgage by statutory power of sale
229 containing: (1) The name of the foreclosing mortgagee by whom such
230 commissioner was appointed, the names of the original mortgagor and
231 mortgagee as stated in the mortgage deed being foreclosed by
232 statutory power of sale, the volume and page of the land records
233 where such mortgage deed is recorded and, if applicable, the parties
234 and recording information of any assignment of such mortgage deed
235 to the foreclosing mortgagee; and (2) a statement that such
236 commissioner has complied with all applicable requirements for the
237 sale of the real property.

238 Sec. 5. (NEW) (*Effective October 1, 2016*) (a) A mortgagor or any other
239 person entitled to notice of intention to foreclose by statutory power of
240 sale under subsection (c) of section 2 of this act may apply to the
241 Superior Court for a protective order seeking to stay, enjoin or
242 condition the terms of the sale. An application made under this
243 subsection shall be placed on the short calendar for a hearing. The
244 court shall order reasonable notice of the date and time of the hearing
245 to be given to all interested persons not less than four days before the
246 hearing. If any person entitled to such notice is not a resident of this
247 state, such notice shall be given by personal service, registered or
248 certified mail, publication or such other method as the court directs.
249 After such hearing, the court may order that a sale of real property
250 under a foreclosure by statutory power of sale, or the disposition of the
251 proceeds from such sale, be restrained or carried out in accordance
252 with such terms and conditions as the court may determine if it is
253 established by clear and convincing evidence by the mortgagor or any
254 other person entitled to notice under subsection (c) of section 2 of this
255 act that: (1) The underlying obligation that is secured by the mortgage
256 deed to be foreclosed by statutory power of sale is invalid; (2) the
257 mortgagor is not in default or has cured the default; or (3) the
258 mortgagee or other person exercising a statutory power of sale under
259 section 4 of this act has not complied with the provisions of sections 1
260 to 7, inclusive, of this act.

261 (b) A mortgagee may apply to the Superior Court for an order in aid
262 of the mortgagee's rights under sections 1 to 7, inclusive, of this act,
263 including, but not limited to, an order allowing the mortgagee and
264 other interested persons reasonable access to the real property subject
265 to foreclosure by statutory power of sale for purposes of rehabilitation,
266 preparation for sale, repair, maintenance, inspection, posting of notice
267 or conducting the sale. The application shall be placed on the short
268 calendar for a hearing. The court shall order reasonable notice of the
269 date and time of the hearing to be given to all interested persons not
270 less than four days before the hearing. If any person entitled to such

271 notice is not a resident of this state, such notice shall be given by
272 personal service, registered or certified mail, publication or such other
273 method as the court directs.

274 (c) After a sale of real property under a foreclosure by statutory
275 power of sale, a proceeding to set aside such sale may be undertaken
276 only pursuant to subsection (d) of this section. If no action to set aside
277 such sale is brought under subsection (d) of this section within ten
278 days of the date of sale, the facts asserted in the certification required
279 by subsection (e) of section 4 of this act with respect to such sale shall
280 be conclusively presumed to be true and accurate.

281 (d) If the mortgagee fails to comply with the provisions of sections 1
282 to 7, inclusive, of this act, the mortgagor or any other person entitled to
283 notice of intention to foreclose by statutory power of sale under
284 subsection (c) of section 2 of this act may seek to set aside a sale of real
285 property under a foreclosure by statutory power of sale by
286 commencing a civil action in the Superior Court not later than ten days
287 after the date on which such sale was held. The foreclosing mortgagee
288 and the owner of record shall be necessary parties to such action and
289 process in such action shall be served upon them not later than five
290 days after the date of issuance of the complaint, but not later than ten
291 days after the date of such sale. No such action may be maintained
292 unless the plaintiff causes a notice of lis pendens to be recorded in the
293 land records of the town in which the real property is located not later
294 than five days after the date of issuance of the complaint and not later
295 than ten days after the date of such sale. The notice of lis pendens shall
296 comply with the provisions of section 52-325 of the general statutes
297 and be served on the foreclosing mortgagee, the commissioner of the
298 Superior Court appointed to conduct such sale and the owner of
299 record not later than five days after the commencement of the action.
300 Actions brought under this subsection shall be privileged cases to be
301 heard by the court as soon after the return day as is practicable.

302 Sec. 6. (NEW) (*Effective October 1, 2016*) (a) The proceeds from a sale

303 of real property under a foreclosure by statutory power of sale under
304 sections 1 to 7, inclusive, of this act shall be held by the commissioner
305 of the Superior Court conducting the sale as a trustee for the benefit of
306 the foreclosing mortgagee and all persons who may claim an interest
307 in such proceeds. Such proceeds shall be distributed by such
308 commissioner in the following order:

309 (1) The reasonable expenses of sale;

310 (2) The reasonable expenses of securing possession before sale and
311 holding, maintaining and preparing the real property for sale,
312 including, but not limited to, premiums on hazard and liability
313 insurance, and, to the extent provided for in the mortgage deed and
314 not prohibited by law, reasonable attorney's fees and other legal
315 expenses incurred by the mortgagee;

316 (3) Satisfaction of the indebtedness secured by the mortgage deed
317 being foreclosed by statutory power of sale;

318 (4) Satisfaction in the order of priority of any subordinate interest of
319 record entitled to notice under subdivision (3) of subsection (c) of
320 section 2 of this act; and

321 (5) Remittance of any excess to the mortgagor.

322 (b) If, after distribution of the proceeds in accordance with
323 subdivisions (1), (2) and (3) of subsection (a) of this section, there
324 remain excess proceeds available for distribution to the holders of the
325 subordinate interests, distribution of such excess proceeds shall be
326 made in the following manner:

327 (1) Not later than five days after the transfer of title to the purchaser,
328 the commissioner of the Superior Court conducting the sale shall give
329 notice to all holders of such subordinate interests of record and to the
330 former owner of the real property regarding the existence and extent of
331 excess proceeds. Such notice shall list the names and addresses of all

332 such holders and shall be given by certified mail, return receipt
333 requested.

334 (2) Not later than twenty days after the date of the notice required
335 under subdivision (1) of this subsection, the former owner of the real
336 property and all holders of such subordinate interests of record
337 desiring to make a claim to the excess proceeds shall forward to the
338 commissioner of the Superior Court conducting the sale an affidavit of
339 debt setting out the priority and amount being claimed, including a
340 statement of the per diem accrual rate subsequent to the date of the
341 affidavit. Copies of the affidavit shall be mailed to the former owner of
342 the real property and to all other holders of subordinate interests listed
343 in such notice.

344 (3) Not later than ten days after the expiration of the period
345 described in subdivision (2) of this subsection, the commissioner of the
346 Superior Court conducting the sale shall prepare a statement of
347 distribution containing the proposed order of priorities and payments
348 to the former owner of the real property and to each holder of a
349 subordinate interest to whom a payment is to be made. Copies of the
350 statement of distribution shall be mailed to the former owner of the
351 real property and to all holders of subordinate interests listed in the
352 notice required under subdivision (1) of this subsection.

353 (4) If, not later than ten days after the mailing of the statement of
354 distribution, neither the former owner of the real property nor the
355 holder of any such subordinate interest has given notice to the
356 commissioner of the Superior Court conducting the sale and to all
357 other holders of such subordinate interests of an objection to the
358 commissioner's proposed order of priorities and payments contained
359 in the statement of distribution, the commissioner shall forthwith make
360 payment in accordance with the statement of distribution.

361 (5) If, not later than ten days after the mailing of the statement of
362 distribution, the former owner or any holder of such a subordinate

363 interest of record gives notice to the commissioner of the Superior
364 Court conducting the sale and to all other holders of such subordinate
365 interests of an objection to the proposed order of priorities and
366 payments as contained in the statement of distribution, the
367 commissioner shall (A) make distribution only to those persons whose
368 interests are unaffected by the objection, (B) pay to the Superior Court
369 the proceeds at issue, and (C) provide notice to the former owner of
370 the real property and to all holders of such subordinate interests of
371 record, by certified mail, return receipt requested, of the address of the
372 court to which the proceeds were paid, the person's right to file an
373 application with the court for return of such proceeds and the amount
374 of proceeds paid to the court. Any such holder or the former owner of
375 the real property may, not later than ninety days after the date the
376 commissioner paid such proceeds to the court, file an application with
377 the court for return of such proceeds and a determination of the
378 equities of the parties having an interest in such proceeds. Notice of
379 such application shall be served, in the manner for service of process
380 required under chapter 896 of the general statutes or section 33-929 of
381 the general statutes to commence a civil action, upon all persons
382 having an interest of record in the real property on the date of
383 recording of the notice of intention to foreclose by statutory power of
384 sale under subsection (a) of section 2 of this act. The court, on motion
385 of a party or on its own motion, may appoint a state referee to hear the
386 facts and to make a determination of the equities of the parties in such
387 proceeds. The state referee, after providing at least ten days' notice to
388 the interested parties of the time and place of hearing, shall hear the
389 applicant and any interested parties, take such testimony as the state
390 referee deems material, determine the equities of the parties in such
391 proceeds and immediately submit a report to the court. The report
392 shall contain a detailed statement of findings by the state referee that is
393 sufficient to enable the court to determine the consideration upon
394 which the state referee based his or her conclusions. The court may
395 reject the report of the state referee for any irregular or improper
396 conduct in the performance of the duties of the state referee. If the

397 report of the state referee is rejected by the court, the court shall
398 appoint another state referee to make findings and submit a report. If
399 the report of the state referee is accepted by the court, the
400 determination of the equities of the parties in such proceeds made by
401 the state referee shall be conclusive upon all parties given notice of
402 such hearing, subject to appeal to the Appellate Court. If no appeal to
403 the Appellate Court is filed within the time allowed by law, or if an
404 appeal is filed and the proceedings have terminated in a final
405 judgment determining the amount of such proceeds due each party,
406 the clerk of the court shall send a certified copy of a statement of
407 compensation and of the judgment to the prevailing party or parties,
408 as the case may be, and shall pay such parties the amount of such
409 proceeds that is due.

410 Sec. 7. (NEW) (*Effective October 1, 2016*) The commissioner of the
411 Superior Court conducting a sale of real property under section 4 of
412 this act shall execute a deed to the purchaser of such real property that
413 is sufficient to convey title and that identifies the mortgage deed
414 foreclosed by statutory power of sale and the parties to the mortgage
415 deed, indicate the volume and page of the land records where such
416 mortgage deed is recorded and recite that the deed is executed by the
417 commissioner of the Superior Court conducting the sale after a default
418 and sale under sections 1 to 7, inclusive, of this act and pursuant to
419 commissioner's authority to conduct the sale. The signature and title or
420 authority of such commissioner signing the deed as grantor, together
421 with the certificate required by subsection (e) of section 4 of this act,
422 are sufficient proof of the facts recited in the deed and of the signer's
423 authority to sign the deed.

424 Sec. 8. Subsection (a) of section 12-498 of the general statutes is
425 repealed and the following is substituted in lieu thereof (*Effective*
426 *October 1, 2016*):

427 (a) The tax imposed by section 12-494 shall not apply to: (1) Deeds
428 which this state is prohibited from taxing under the Constitution or

429 laws of the United States; (2) deeds which secure a debt or other
430 obligation; (3) deeds to which this state or any of its political
431 subdivisions or its or their respective agencies is a party; (4) tax deeds;
432 (5) deeds of release of property which is security for a debt or other
433 obligation; (6) deeds of partition; (7) deeds made pursuant to mergers
434 of corporations; (8) deeds made by a subsidiary corporation to its
435 parent corporation for no consideration other than the cancellation or
436 surrender of the subsidiary's stock; (9) deeds made pursuant to a
437 decree of the Superior Court under section 46b-81, 49-24 or 52-495, [or]
438 pursuant to a judgment of foreclosure by market sale under section 49-
439 24 or pursuant to foreclosure by statutory power of sale under sections
440 1 to 7, inclusive, of this act; (10) deeds, when the consideration for the
441 interest or property conveyed is less than two thousand dollars; (11)
442 deeds between affiliated corporations, provided both of such
443 corporations are exempt from taxation pursuant to paragraph (2), (3)
444 or (25) of Section 501(c) of the Internal Revenue Code of 1986, or any
445 subsequent corresponding internal revenue code of the United States,
446 as from time to time amended; (12) deeds made by a corporation
447 which is exempt from taxation pursuant to paragraph (3) of Section
448 501(c) of the Internal Revenue Code of 1986, or any subsequent
449 corresponding internal revenue code of the United States, as from time
450 to time amended, to any corporation which is exempt from taxation
451 pursuant to said paragraph (3) of said Section 501(c); (13) deeds made
452 to any nonprofit organization which is organized for the purpose of
453 holding undeveloped land in trust for conservation or recreation
454 purposes; (14) deeds between spouses; (15) deeds of property for the
455 Adriaen's Landing site or the stadium facility site, for purposes of the
456 overall project, each as defined in section 32-651; (16) land transfers
457 made on or after July 1, 1998, to a water company, as defined in section
458 16-1, provided the land is classified as class I or class II land, as defined
459 in section 25-37c, after such transfer; (17) transfers or conveyances to
460 effectuate a mere change of identity or form of ownership or
461 organization, where there is no change in beneficial ownership; (18)
462 conveyances of residential property which occur not later than six

463 months after the date on which the property was previously conveyed
464 to the transferor if the transferor is (A) an employer which acquired the
465 property from an employee pursuant to an employee relocation plan,
466 or (B) an entity in the business of purchasing and selling residential
467 property of employees who are being relocated pursuant to such a
468 plan; (19) deeds in lieu of foreclosure that transfer the transferor's
469 principal residence; and (20) any instrument transferring a transferor's
470 principal residence where the gross purchase price is insufficient to
471 pay the sum of (A) mortgages encumbering the property transferred,
472 and (B) any real property taxes and municipal utility or other charges
473 for which the municipality may place a lien on the property and which
474 have priority over the mortgages encumbering the property
475 transferred.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section
Sec. 2	<i>October 1, 2016</i>	New section
Sec. 3	<i>October 1, 2016</i>	New section
Sec. 4	<i>October 1, 2016</i>	New section
Sec. 5	<i>October 1, 2016</i>	New section
Sec. 6	<i>October 1, 2016</i>	New section
Sec. 7	<i>October 1, 2016</i>	New section
Sec. 8	<i>October 1, 2016</i>	12-498(a)

Statement of Purpose:

To authorize foreclosure of mortgages, other than mortgages of owner-occupied residential real property, by statutory power of sale.

[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.]