
OLR Bill Analysis

SB 391

AN ACT ELIMINATING THE REQUIREMENT THAT A MORTGAGOR REPRESENTED BY COUNSEL ATTEND THE FIRST FORECLOSURE MEDIATION SESSION IN PERSON.

SUMMARY

This bill eliminates the requirement that a mortgagor (i.e., debtor) participating in the state's foreclosure mediation program who is represented by counsel attend the first mediation session in person. (PA 16-65 eliminated this requirement for residential mortgage foreclosures with a return date from July 1, 2008 to June 30, 2009.)

The foreclosure mediation program is available to (1) owner-occupants of one- to four-family residential real property who use it as their primary residence and (2) religious organizations. The property must be located in Connecticut, and the owner-occupant must be either the borrower under a mortgage on the property or a permitted successor-in-interest (i.e., someone who, among other things, has title to the property due to certain events such as divorce, legal separation, or the borrower's death).

The mediation program, which seeks to avoid, expedite, or facilitate foreclosure, brings together Judicial Branch mediators; lenders; and borrowers or owner-occupants, as applicable. If an eligible borrower or owner-occupant files an appearance and requests mediation, the lender must participate. Under current law, the program ends on June 30, 2019 (CGS § 49-31I) (see BACKGROUND).

EFFECTIVE DATE: October 1, 2018

BACKGROUND

Related Bill

sHB 5495, favorably reported by the Banking Committee, makes the foreclosure mediation program permanent by eliminating the sunset

date.

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 19 Nay 0 (03/20/2018)