



Senate

General Assembly

File No. 614

February Session, 2018

Substitute Senate Bill No. 485

Senate, April 19, 2018

The Committee on Judiciary reported through SEN. DOYLE of the 9th Dist. and SEN. KISSEL of the 7th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE PROVISION OF A PAYOFF STATEMENT
BY A JUDGMENT LIENHOLDER.***

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

1 Section 1. (NEW) (*Effective October 1, 2018*) (a) A judgment
2 lienholder or an attorney who has filed an appearance on behalf of
3 such judgment lienholder, shall, upon written request of the debtor,
4 debtor's attorney or authorized representative for the current owner of
5 the property which is subject to the lien, provide a payoff statement, in
6 writing, to the person requesting the payoff statement on or before the
7 date specified in such request, provided such request date is not less
8 than twenty-one business days after the date of receipt of the written
9 request. When requesting a payoff statement, the debtor, debtor's
10 attorney or authorized representative for the current owner of the
11 property which is subject to the lien may rely on the last recorded lien
12 of record securing the lienholder's judgment in identifying the name
13 and mailing address of the holder of such lien, unless the holder of
14 such lien is the plaintiff in an action pending in Superior Court to

15 enforce such interest, in which case the request for a payoff statement
16 shall be provided to the attorney appearing on behalf of the plaintiff.

17 (b) The judgment lienholder or attorney shall not impose any fee or
18 charge for the first payoff statement requested within a calendar year,
19 unless the judgment debtor or the judgment debtor's attorney or other
20 authorized agent requests expedited delivery of such statement, agrees
21 to pay a fee for such expedited delivery and the payoff statement is
22 provided by the agreed upon date.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2018	New section

JUD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill affects private judgement liens and does not result in a fiscal impact to the state or municipalities.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sSB 485****AN ACT CONCERNING THE PROVISION OF A PAYOFF STATEMENT BY A JUDGMENT LIENHOLDER.****SUMMARY**

This bill creates a process by which a judgment lienholder may provide a payoff statement to a debtor, the debtor's attorney, or current owner of the property subject to the lien.

Specifically, the bill:

1. requires a judgment lienholder or the lienholder's attorney to provide a written payoff statement within a specified time period after receiving a written request for it;
2. allows the request to be sent to the lienholder using the name and address on the property records, but requires it to be sent to the lienholder's attorney if the lienholder has taken enforcement action regarding the lien; and
3. prohibits charging a fee for the first payoff statement request each calendar year, unless there is a request for expedited delivery and certain conditions are met.

By law, a judgment lien secures the unpaid amount of any money judgment and may be placed on any real property of the debtor by recording it on the land records in the town where the property lies (see BACKGROUND).

EFFECTIVE DATE: October 1, 2018

JUDGMENT LIENHOLDER PAYOFF STATEMENT***Debtor's Written Request***

Under the bill, a request to a judgment lienholder or the lienholder's attorney for a payoff statement must be made in writing. In identifying the lienholder's name and mailing address, the bill allows the debtor, debtor's attorney, or authorized representative for the current owner of the property subject to the lien to rely on the last recorded lien that secures the lienholder's judgment. A request must be provided to the lienholder's attorney if the lienholder is a plaintiff in an enforcement action pending in Superior Court regarding the lien.

Lienholder's Payoff Statement

The bill requires a judgment lienholder, or the attorney who has filed an appearance on the lienholder's behalf, to provide a written payoff statement after receiving a request. The lienholder must do so by the date specified in the request, provided it is at least 21 business days after the lienholder received the payoff statement request.

Fees

The bill generally prohibits the judgment lienholder or the attorney from imposing a fee or a charge for the first payoff statement requested within a calendar year. The bill makes an exception if the judgment debtor or the judgment debtor's attorney or other authorized agent requests expedited delivery, agrees to pay a fee for such delivery, and the payoff statement is provided by the date the parties agreed on.

BACKGROUND

Judgement Lien

By law, a judgment lien expires 20 years after the judgment was rendered (10 years for those related to small claims), unless the party claiming the lien (1) begins a foreclosure action within that time period and (2) records a formal notice of the foreclosure proceeding on the land records (CGS § 52-380a).

A judgment lien that expires for failure to comply with the above time limitations is automatically nullified and its continued existence does not affect the record owner's title or the property's marketability (CGS § 52-380c).

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 39 Nay 1 (04/04/2018)