



General Assembly

February Session, 2018

Raised Bill No. 150

LCO No. 952



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, 2018*) (a) No entity, including,
2 but not limited to, any state or federally chartered bank, or any state or
3 federally chartered credit union, shall accept a final and complete
4 application for a reverse annuity mortgage loan, as defined in section
5 36a-265 of the general statutes, or assess any fees for such mortgage,
6 unless such entity has:

7 (1) (A) Informed the prospective applicant of the counseling
8 requirement as described in subdivision (2) of this subsection, and (B)
9 provided the prospective applicant with a list of at least five
10 independent housing counseling agencies approved by the United
11 States Department of Housing and Urban Development to engage in
12 reverse annuity mortgage loan counseling, as provided in 24 CFR
13 206.300 et seq., as amended from time to time; and

14 (2) Received a signed certification from the prospective applicant or

15 the prospective applicant's authorized representative that the applicant
16 or the applicant's authorized representative has received counseling in
17 person or by telephone from an independent housing counseling
18 agency. No such counseling agency shall receive any compensation,
19 either directly or indirectly, from the lender or from any other person
20 or entity involved in originating or servicing the loan.

21 (b) Certification of the counseling session shall be signed by (1) the
22 prospective applicant or the prospective applicant's authorized
23 representative, and (2) the independent housing counseling agency's
24 counselor. Such signed certification shall include the date of the
25 counseling session and the name, address and telephone number of
26 both the prospective applicant and the counselor. The lender shall
27 maintain such signed certification in an accurate, reproducible and
28 accessible format for the term of the reverse annuity mortgage loan.

29 (c) A violation of the provisions of this section shall be deemed an
30 unfair or deceptive trade practice under subsection (a) of section 42-
31 110b of the general statutes.

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

Statement of Purpose:

To provide additional protections for consumers applying for reverse mortgages.

[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.]