AN ACT PROVIDING PROTECTIONS FOR CONSUMERS APPLYING FOR REVERSE MORTGAGES.

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

Section 1. (NEW) (Effective October 1, 2018) (a) No entity, including, but not limited to, any state or federally chartered bank or state or federally chartered credit union, shall accept a final and complete application for a reverse annuity mortgage loan, as defined in section 36a-265 of the general statutes, or assess any fees for such mortgage, unless such entity has:

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

(2) Received a signed certification from the prospective applicant or the prospective applicant's authorized representative that the applicant or the applicant's authorized representative has received counseling in person or by telephone from an independent housing counseling
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agency. No such counseling agency shall receive any compensation, either directly or indirectly, from the lender or from any other person or entity involved in originating or servicing the loan.

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

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

Approved May 29, 2018