
OLR Bill Analysis

HB 5974

AN ACT REQUIRING ACCEPTANCE OF PERIODIC AND PARTIAL PAYMENTS ON CERTAIN MORTGAGE LOANS ISSUED BY CONNECTICUT BANKS AND CONNECTICUT CREDIT UNIONS.

SUMMARY

This bill requires Connecticut banks and credit unions to accept and credit, or treat as credited, periodic or partial payments on residential mortgage loans in accordance with the loans' terms. A payment must be credited on the business day the bank or credit union received it as long as the payment is made where the borrower was instructed in writing to do so and the borrower provides enough information to identify and credit the mortgage account.

The bill applies to residential mortgage loans issued on or after October 1, 2019, that are (1) primarily for personal, family, or household use and (2) secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential real estate that has or is intended to have a dwelling.

Under the bill, a periodic payment is a payment that is enough to cover principal, interest, and if applicable, escrow for a given billing cycle. A partial payment is any payment that is less than a periodic payment.

EFFECTIVE DATE: October 1, 2019

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 15 Nay 0 (03/12/2019)