



House of Representatives

General Assembly

File No. 179

January Session, 2019

House Bill No. 5974

House of Representatives, March 28, 2019

The Committee on Banking reported through REP. SANTIAGO, E. of the 130th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

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

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

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) As used in this
2 section:

3 (1) "Connecticut bank" and "Connecticut credit union" have the
4 same meaning as provided in section 36a-2 of the general statutes;

5 (2) "Periodic payment" means a payment in an amount sufficient to
6 cover principal, interest and, if applicable, escrow for a given billing
7 cycle;

8 (3) "Partial payment" means a payment in an amount less than a
9 periodic payment;

10 (4) "Residential mortgage loan" means any loan issued by a
11 Connecticut bank or a Connecticut credit union on or after October 1,

12 2019, that is (A) primarily for personal, family or household use, and
13 (B) secured by a mortgage, deed of trust or other equivalent
14 consensual security interest on a dwelling or residential real estate
15 upon which is constructed or intended to be constructed a dwelling.

16 (b) A periodic payment or a partial payment on a residential
17 mortgage loan shall be accepted and credited, or treated as credited, in
18 accordance with the terms of the residential mortgage loan, on the
19 business day the payment is received, provided (1) the payment is
20 made where the borrower has been instructed in writing to make
21 payments, and (2) the borrower has provided sufficient information to
22 identify and credit the mortgage account.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2019	New section

BA *Joint Favorable*

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, which requires Connecticut banks and credit unions to accept and credit periodic or partial payments on certain residential mortgage loans, has no fiscal impact to the State or municipalities as it concerns the interactions between private entities and individuals.

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

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)