

# OFFICE OF FISCAL ANALYSIS

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sHB-5163

AN ACT CONCERNING DEFICIENCY JUDGMENTS AND  
RESIDENTIAL PROPERTIES WITH A CONCRETE FOUNDATION  
AFFECTED BY PYRRHOTITE.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Banking Dept.	BF - Potential Revenue Gain	See Below	See Below

Note: BF=Banking Fund

***Municipal Impact:*** None

### ***Explanation***

The bill: 1) prohibits mortgage lenders or correspondent lenders from denying certain residential mortgage loan applications on the sole basis that the applicant previously defaulted, conveyed, or foreclosed on a residential property that had a deteriorated concrete foundation due to pyrrhotite, and 2) subjects violators to a civil penalty of up to \$10,000 per violation.

The Department of Banking has the necessary expertise to assess the anticipated level of potential violations based on the provisions of the bill. The process for assessing a penalty could take over two years to complete, and therefore any potential revenue would likely not be received until FY 22.

### ***The Out Years***

The potential revenue gain identified above would continue into the future subject to the number of penalties assessed.

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