

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-5969

AN ACT ESTABLISHING A COLLAPSING FOUNDATIONS LOAN PROGRAM

Title: TO PROVIDE LOW-INTEREST LOANS TO CERTAIN PROPERTY OWNERS.

Vote Date: 3/12/2019

Vote Action: Joint Favorable

PH Date: 2/14/2019

File No.:

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SPONSORS OF BILL:

Banking Committee

Rep. Tom Delnicki, 14th Dist.

Rep. Geoff Luxenberg, 12th Dist.

REASONS FOR BILL:

The purpose of the bill is to fill the gap in coverage created by the Captured Insurance Company per claim cap of \$175,000.00, by creating a low-interest loan program for these homeowners.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Provided

NATURE AND SOURCES OF SUPPORT:

Donald Poulin, Member Board of Directors, Connecticut Foundation Solutions Indemnity Company, (CFSIC):

Mr. Poulin, as a member of the Board of Directors of CFSIC and an affected homeowner, is in support of HB 5969. Mr. Poulin supports any means that will aid homeowners through the crumbling foundation crisis.

NATURE AND SOURCES OF OPPOSITION:

Karl Kilduff, Executive Director, Connecticut Housing Finance Authority, (CHFA):

The CHFA is opposed to HB 5969. The CHFA, while opposed to HB 5969, would like to remind the committee that they have been a part of the conversation from early on. Traditionally CHFA serves as either an administrator of state funds or to deliver program administration at a reduced cost to the state. The bonds that the CHFA utilizes are only authorized for specific purposes in order to enjoy their tax-exempt status. CHFA's role in mortgage lending has been to offer mortgages to eligible first-time buyers. These mortgages are a very specific type of lending that is allowed by the Internal Revenue Code which governs private activity bonds. Lending for home improvements or to refinance a mortgage is not an eligible use of private activity bonds. CHFA's traditional financial tools are not available to support this type of lending.

Reported by: Robert G Forrest

Date: 03/26/2019