AN ACT CONCERNING REAL ESTATE CLOSINGS AND ATTORNEYS AND LAW FIRMS PREFERRED BY MORTGAGE LENDERS.

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

Section 1. (NEW) (Effective October 1, 2019) (a) Notwithstanding any provision of the general statutes, no person shall represent the legal interests of a buyer, seller, mortgagor, mortgagee or any other party to a real estate transaction at the closing of such transaction, whether such closing is conducted in person or electronically, unless such person has been admitted as an attorney in this state under the provisions of section 51-80 of the general statutes and has not been disqualified from the practice of law due to resignation, disbarment, being placed on inactive status or suspension. For the purposes of this subsection, "real estate transaction" means any transaction affecting the title to, or any interest in, real property in this state, including, but not limited to, a mortgage refinancing transaction.

(b) Any person who violates the provisions of subsection (a) of this section shall have committed a violation of subdivision (8) of subsection (a) of section 51-88 of the general statutes and be subject to the penalties set forth in subsection (b) of section 51-88 of the general statutes.
Sec. 2. (NEW) (Effective October 1, 2019) Notwithstanding any provision of the general statutes, no mortgage lender shall include in any document that the mortgage lender provides to a prospective mortgagor any provision that induces or requires the prospective mortgagor to use an attorney or law firm preferred by such mortgage lender to represent such prospective mortgagor in a proposed mortgage loan transaction concerning real property in this state. For the purposes of this section, "mortgage lender" means a person engaged in the business of making mortgage loans in such person's own name utilizing such person's own funds or by funding loans through a warehouse agreement, table funding agreement or similar agreement.

This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Date</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>October 1, 2019</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 2</td>
<td>October 1, 2019</td>
<td>New section</td>
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</tbody>
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Statement of Purpose:
To (1) prohibit persons other than attorneys admitted in this state from representing the legal interests of parties to real estate closings concerning real property in this state, and (2) prohibit mortgage lenders from inducing or requiring prospective mortgagors to use preferred attorneys or law firms to represent such mortgagors in proposed mortgage loan transactions concerning real property in this state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. FASANO, 34th Dist.

S.B. 320