



General Assembly

January Session, 2019

Committee Bill No. 320

LCO No. 4396



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

***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:

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

13 (b) Any person who violates the provisions of subsection (a) of this
14 section shall have committed a violation of subdivision (8) of
15 subsection (a) of section 51-88 of the general statutes and be subject to
16 the penalties set forth in subsection (b) of section 51-88 of the general
17 statutes.

18 Sec. 2. (NEW) (*Effective October 1, 2019*) Notwithstanding any
 19 provision of the general statutes, no mortgage lender shall include in
 20 any document that the mortgage lender provides to a prospective
 21 mortgagor any provision that induces or requires the prospective
 22 mortgagor to use an attorney or law firm preferred by such mortgage
 23 lender to represent such prospective mortgagor in a proposed
 24 mortgage loan transaction concerning real property in this state. For
 25 the purposes of this section, "mortgage lender" means a person
 26 engaged in the business of making mortgage loans in such person's
 27 own name utilizing such person's own funds or by funding loans
 28 through a warehouse agreement, table funding agreement or similar
 29 agreement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	New section
Sec. 2	<i>October 1, 2019</i>	New section

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