OLR Bill Analysis
sSB 810

AN ACT PROHIBITING CERTAIN MORTGAGE LENDERS FROM CHARGING FEES TO BORROWERS AFTER RECEIVING A PAYMENT TO REINSTATE THE MORTGAGE.

SUMMARY

This bill requires Connecticut banks and credit unions (hereinafter “mortgagees”) to reinstate a mortgage on the day a borrower (hereinafter “mortgagor”) pays the total amount due on a reinstatement payment statement as long as the payment is made on or before the day the statement expires.

The bill also prohibits these mortgagees from charging the mortgagor for any costs, expenses, or attorneys’ fees incurred due to the mortgagor’s default unless they were included on the reinstatement payment statement. The bill deems these costs, expenses, and fees waived.

The bill’s provisions apply to mortgages issued on or after October 1, 2019.

By law, a reinstatement payment statement is a document providing the total amount owed by a mortgagor to a mortgagee which, if paid, will reinstate the loan if other contractual requirements for reinstatement are met.

EFFECTIVE DATE: October 1, 2019

COMMITTEE ACTION
Banking Committee

Joint Favorable Substitute
Yea 15  Nay 0  (03/12/2019)