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

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

Section 1. Section 49-10a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) A mortgagee shall, upon written request of the mortgagor or the mortgagor's attorney or other authorized agent provide a payoff statement or reinstatement payment statement in writing to the person requesting the payoff statement or reinstatement payment statement on or before the date specified in such request, provided such request date is at least seven business days after the date of receipt of the written request. If the request is made in connection with a default, the mortgagor's attorney may make such written request directly to the mortgagee, provided such written request contains a representation that the person requesting the payoff statement or reinstatement payment statement is the mortgagor's attorney and that the mortgagor has authorized the request.

(b) If the mortgagee fails to provide the payoff statement or reinstatement payment statement on or before such request date, the mortgagee shall not be entitled to the payment of any interest on the
mortgage loan which is secured by such mortgage which accrues after
the expiration of such request date. If the mortgagee provides the
payoff statement or reinstatement payment statement to the person
requesting such statement after the expiration of such request date,
interest on the mortgage loan which accrues after the receipt of the
payoff statement or the reinstatement payment statement by the
person who has requested it shall again be payable. The burden of
proof shall be on the mortgagor with respect to the receipt by the
mortgagee of the mortgagor's request for a payoff statement or a
reinstatement payment statement of the mortgage loan, and thereafter
shall be on the mortgagee with respect to the receipt of the payoff
statement or reinstatement payment statement by the mortgagor or the
mortgagor's attorney or other authorized agent.

(c) The mortgagee shall not impose any fee or charge for the first
payoff statement or reinstatement payment statement requested within
a calendar year, unless the mortgagor or the mortgagor's attorney or
other authorized agent requests expedited delivery of such statement,
agrees to pay a fee for such expedited delivery and the statement is
provided by the agreed upon date.

(d) A mortgage issued by a Connecticut bank or a Connecticut
credit union on or after October 1, 2019, shall be reinstated on the date
the mortgagor pays to the mortgagee the total amount due on a
reinstatement payment statement, provided such payment is made on
or before the date such statement expires. The mortgagee shall not
charge the mortgagor for any costs, expenses or attorneys' fees
incurred by the mortgagee in connection with the mortgagor's default
that were not included on the reinstatement payment statement and
any such costs, expenses or attorneys' fees shall be waived by the
mortgagee.

[(d)] (e) For the purposes of this section, "reinstatement payment
statement" means a statement setting forth the total sum owed by a
mortgagor to a mortgagee, which, if paid, will cause the loan to be
reinstated, provided any other contractual conditions for reinstatement are satisfied.

[(e) (f)] Nothing in this section shall create an obligation on the part of the mortgagee to provide a reinstatement payment statement if a right to cure the payment default and reinstate the mortgage loan does not exist under the mortgage loan documents or at law.

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

| Section 1 | October 1, 2019 | 49-10a |