
OLR Bill Analysis

sHB 6369

AN ACT REQUIRING MORTGAGEES TO DELIVER MORTGAGE RELEASES TO THE TOWN CLERK AND TO ACCEPT CERTAIN FORMS OF PAYMENT TENDERED IN SATISFACTION OR PARTIAL SATISFACTION OF A MORTGAGE.

SUMMARY

This bill requires a mortgagee (lender), or any person authorized to release a mortgage, to send a notice of the release to the town clerk of the town where the mortgaged property is located when:

1. the mortgage is paid off;
2. a bona fide offer exists to pay off the mortgage or part of the mortgage, in accordance with its terms upon a release; or
3. the interested parties have a written agreement to partially release the mortgage.

Additionally, the mortgagee or authorized person must send a copy of the release to the mortgagor (borrower).

The bill also requires a mortgagee to accept, as payment or partial payment to satisfy a mortgage, a bank or certified check; attorney's clients' funds check; title insurance company check; wire transfer; or any other payment authorized by federal law.

EFFECTIVE DATE: October 1, 2021

BACKGROUND

Legislative History

The House referred the bill (File 70) to the Judiciary Committee, which reported a substitute that eliminates a provision allowing the owner of real estate subject to a mechanic's lien, or any other individual with interest in the property, to substitute the lien with a

bond without first applying to the court as required by current law.

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 18 Nay 0 (02/23/2021)

Judiciary Committee

Joint Favorable Substitute

Yea 34 Nay 5 (04/20/2021)