

# Aging Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-816

AN ACT ESTABLISHING A REVOLVING LOAN FUND TO ASSIST ELDERLY

**Title:** HOMEOWNERS.

**Vote Date:** 2/16/2021

**Vote Action:** Joint Favorable Change of Reference to Appropriations

**PH Date:** 2/9/2021

**File No.:**

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## **SPONSORS OF BILL:**

Aging Committee

## **REASONS FOR BILL:**

Currently, some seniors have fallen behind on their property taxes due to economic distresses or a temporary financial hardship and could possibly face foreclosure on their homes. This bill establishes a loan fund to be known as the "Elderly Homeowner Property Tax Revolving Loan Fund" to be administered by the Office of Policy and Management within available appropriations. It also will include a lien on the real property and directs that any money remaining in the fund be carried over to the next fiscal year. The establishment of this Fund would allow seniors to potentially stay in their homes.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

**Senator Paul Formica, Connecticut General Assembly:** He offered testimony in support of this proposal and indicated that the bill would help financially distressed senior citizens pay their property taxes and that this will send a message that we value our senior and understand the financial challenges they face.

## **NATURE AND SOURCES OF SUPPORT:**

**Zachary McKeown, Connecticut Conference of Municipalities:** They submitted testimony in support of this bill since it does provide that municipal liens retain priority status.

**Sarah White, Attorney, Connecticut Fair Housing Center:** They offered testimony in support of this legislation and they offered several suggestions that they believe would strengthen the bill. First, they suggest using the Emergency Mortgage Assistance Program

(EMAP) to avoid the fiscal and administrative impact of a new program. They are working with the Banking Committee on improving EMAP that would allow seniors to obtain an EMAP loan. Secondly, when a homeowner has a reverse mortgage the loan should not result in a priority lien because it is considered a default on a reverse mortgage and will cause the mortgage company to start a foreclosure. The EMAP uses a junior lien which would work for reverse mortgage borrowers if the eligibility rules are expanded.

**NATURE AND SOURCES OF OPPOSITION:**

No opposing testimony submitted.

**Reported by: Richard Ferrari, Assistant Clerk  
Richard O'Neil, Assistant Clerk  
Joe Perkus, Clerk**

**Date: 3/4/21**