



General Assembly

January Session, 2021

Committee Bill No. 5090

LCO No. 3074



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT CONCERNING MORTGAGE FORBEARANCE AND
CRUMBLING CONCRETE FOUNDATIONS.***

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

1 Section 1. (NEW) (*Effective October 1, 2021*) (a) As used in this section:

2 (1) "Captive insurance company" meant the captive insurance
3 company established pursuant to section 38a-91vv of the general
4 statutes;

5 (2) "Connecticut bank" and "Connecticut credit union" have the same
6 meanings as provided in section 36a-2 of the general statutes;

7 (3) "Dwelling" has the same meaning as provided in section 36a-485
8 of the general statutes;

9 (4) "Forbearance" means the temporary suspension of periodic
10 payments called for by a mortgage, including, but not limited to,
11 interest, installments of principal, taxes and assessments, mortgage
12 insurance premiums and hazard insurance premiums;

13 (5) "Mortgagor" means any person to whom a residential mortgage

14 loan has been issued and who resides in the dwelling upon which such
15 residential mortgage loan is subject;

16 (6) "Participation agreement" means an agreement by the captive
17 insurance company to pay for a portion of the cost to repair or replace a
18 concrete foundation that has deteriorated due to the presence of
19 pyrrhotite; and

20 (7) "Residential mortgage loan" has the same meaning as provided in
21 section 36a-485 of the general statutes.

22 (b) Each residential mortgage loan issued by a Connecticut bank or
23 Connecticut credit union on or after October 1, 2021, shall include a
24 provision requiring the bank or credit union to grant a request by the
25 mortgagor for forbearance, for a period not to exceed one hundred
26 twenty days, if the mortgagor submits documentation (1) evidencing
27 that the mortgagor has a participation agreement with the captive
28 insurance company relating to the mortgagor's dwelling, or (2) from the
29 chief building inspector of the town in which the mortgagor's dwelling
30 is situated attesting that such dwelling requires repairs because it
31 contains a concrete foundation that has deteriorated in whole or in part
32 due to the presence of pyrrhotite.

33 (c) Nothing in this section shall be construed as limiting any financial
34 institution from providing forbearance to any mortgagor in the state
35 who has been issued a mortgage prior to October 1, 2021, and whose
36 dwelling requires repairs because it contains a concrete foundation that
37 has deteriorated in whole or in part due to the presence of pyrrhotite.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	New section

Statement of Purpose:

To require certain residential mortgage loans to include a provision requiring the mortgagee to grant a request of a mortgagor for

forbearance, provided the mortgagor submits certain documentation to the mortgagee.

[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: REP. DELNICKI, 14th Dist.; REP. WINKLER, 56th Dist.

H.B. 5090