



**Substitute Senate Bill No. 891**

**Public Act No. 21-44**

**AN ACT CONCERNING THE EZEQUIEL SANTIAGO FORECLOSURE MEDIATION PROGRAM AND OTHER ALTERNATIVES TO FORECLOSURE.**

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

Section 1. Section 49-311 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

[(a) Prior to July 1, 2023: (1) Any action for the foreclosure of a mortgage on residential real property with a return date during the period from July 1, 2008, to June 30, 2009, inclusive, shall be subject to the provisions of subsection (b) of this section, and (2) any action for the foreclosure of a mortgage on (A) residential real property with a return date during the period from July 1, 2009, to June 30, 2023, inclusive, or (B) real property owned by a religious organization with a return date during the period from October 1, 2011, to June 30, 2023, inclusive, shall be subject to the provisions of subsection (c) of this section.

(b) (1) Prior to July 1, 2023, when a mortgagee commences an action for the foreclosure of a mortgage on residential real property with a return date during the period from July 1, 2008, to June 30, 2009, inclusive, the mortgagee shall give notice to the mortgagor of the Ezequiel Santiago Foreclosure Mediation Program established pursuant

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to section 49-31m by attaching to the front of the foreclosure complaint that is served on the mortgagor: (A) A copy of the notice of the availability of foreclosure mediation, in such form as the Chief Court Administrator prescribes, and (B) a foreclosure mediation request form, in such form as the Chief Court Administrator prescribes.

(2) Except as provided in subdivision (3) of this subsection, a mortgagor may request foreclosure mediation by submitting the foreclosure mediation request form to the court and filing an appearance not more than fifteen days after the return date for the foreclosure action. Upon receipt of the foreclosure mediation request form, the court shall notify each appearing party that a foreclosure mediation request form has been submitted by the mortgagor.

(3) The court may grant a mortgagor permission to submit a foreclosure mediation request form and file an appearance after the fifteen-day period established in subdivision (2) of this subsection, for good cause shown.

(4) No foreclosure mediation request form may be submitted to the court under this subsection on or after July 1, 2023.

(5) If at any time on or after July 1, 2008, but prior to July 1, 2023, the court determines that the notice requirement of subdivision (1) of this subsection has not been met, the court may, upon its own motion or upon the written motion of the mortgagor, issue an order that no judgment may enter for fifteen days during which period the mortgagor may submit a foreclosure mediation request form to the court.

(6) Notwithstanding any provision of the general statutes or any rule of law to the contrary, prior to July 1, 2023, no judgment of strict foreclosure nor any judgment ordering a foreclosure sale shall be entered in any action subject to the provisions of this subsection and instituted by the mortgagee to foreclose a mortgage on residential real

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property unless: (A) Notice to the mortgagor has been given by the mortgagee in accordance with subdivision (1) of this subsection and the time for submitting a foreclosure mediation request form has expired and no foreclosure mediation request form has been submitted, or if such notice has not been given, the time for submitting a foreclosure mediation request form pursuant to subdivision (2) or (3) of this subsection has expired and no foreclosure mediation request form has been submitted, or (B) the mediation period set forth in subsection (b) of section 49-31n has expired or has otherwise terminated, whichever is earlier.

(7) None of the mortgagor's or mortgagee's rights in the foreclosure action shall be waived by the mortgagor's submission of a foreclosure mediation request form to the court.]

[(c) (1)] (a) Prior to July 1, [2023] 2029, when a mortgagee commences an action for the foreclosure of a mortgage on residential real property with a return date [on or after] during the period from July 1, 2009, to June 30, 2029, inclusive, or, with respect to real property owned by a religious organization, a return date [on or after] during the period from October 1, 2011, to June 30, 2029, inclusive, the mortgagee shall give notice to the mortgagor of the Ezequiel Santiago Foreclosure Mediation Program established pursuant to section 49-31m by attaching to the front of the writ, summons and complaint that is served on the mortgagor: [(A)] (1) A copy of the notice of foreclosure mediation, in such form as the Chief Court Administrator prescribes, [(B)] (2) a copy of the foreclosure mediation certificate form described in [subdivision (3) of this] subsection (c) of this section, in such form as the Chief Court Administrator prescribes, [(C)] (3) a blank appearance form, in such form as the Chief Court Administrator prescribes, [(D)] (4) with respect to an action for the foreclosure of a mortgage on residential real property with a return date [on or after] during the period from October 1, 2011, to September 30, 2013, inclusive, a mediation information form and a

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notice containing contact information for authority-approved consumer credit counseling agencies, which form and notice shall be in such form as the Chief Court Administrator prescribes, and which form shall be designed to elicit current financial information and such other nonfinancial information from the mortgagor as the Chief Court Administrator, in consultation with representatives from the banking industry and consumer advocates, determines will further the objectives of the mediation program. The Chief Court Administrator shall develop a premediation review protocol pursuant to which the mediator shall request that any documents submitted to the mediator for initial review that are incomplete, contain errors or are likely to be found unacceptable by the mortgagee be completed or corrected and that the completed or corrected documents be resubmitted to the mediator for review. Such premediation review, including any recommendations to complete or correct documents, shall not be construed to be the practice of law on behalf of any party to the mediation or the provision of legal advice by the mediator. The instructions to the mediation information form shall explain that the completed mediation information form, along with accompanying documentation reasonably requested from the mortgagor by way of such instructions, shall be delivered to the mortgagee's counsel not later than fifteen business days prior to the date of the initial mediation session, as identified in the notice provided pursuant to [subdivision (2) of subsection (c)] subsection (a) of section 49-31n, as amended by this act, and [(E)] (5) for an action to foreclose a mortgage on residential real property with a return date on or after October 1, 2013, the mediation information form shall instruct the mortgagor as to the objectives of the mediation program, explain the preliminary process of meeting with the mediator as described in [subdivision (4) of this subsection] subsection (d) of this section, instruct the mortgagor to begin gathering financial documentation commonly used in foreclosure mediation for use in meeting with the mediator and in mediation, and include a notice containing contact information for authority-approved consumer counseling agencies, which shall be in

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such form as the Chief Court Administrator prescribes. The content of the mediation information form shall be designed by the Chief Court Administrator in consultation with representatives from the banking industry and consumer advocates.

[(2)] (b) The court shall issue a notice of foreclosure mediation described in [subdivision (3)] subsection (c) of this [subsection] section to the mortgagor not later than the date three business days after the date the mortgagee returns the writ to the court.

[(3)] (c) The notice of foreclosure mediation shall instruct the mortgagor to file the appearance and foreclosure mediation certificate forms with the court not later than the date fifteen days from the return date for the foreclosure action. With respect to actions with a return date during the period from October 1, 2011, to September 30, 2013, inclusive, such notice shall remind the mortgagor to deliver the completed mediation information form and the accompanying documentation described in [subdivision (1)] subsection (a) of this [subsection] section and encourage such delivery in advance of the required date. With respect to actions with a return date during the period from October 1, 2013, to June 30, [2023] 2029, inclusive, such notice shall instruct the mortgagor to begin gathering financial information commonly used in foreclosure mediation for use in meeting with the mediator and in mediation. The mediation information form and accompanying documentation shall not, without the explicit written instruction of the mortgagor, be publicly available. Such notice of foreclosure mediation shall be accompanied by materials from the Department of Banking, as prescribed by the Chief Court Administrator, which shall describe the community-based resources available to the mortgagor, including authority-approved housing counseling agencies that may assist with preparation for mediation and application for mortgage assistance programs. The foreclosure mediation certificate form shall require the mortgagor to provide sufficient information to permit the court to

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confirm that the defendant in the foreclosure action is a mortgagor, and to certify that said mortgagor has sent a copy of the mediation certificate form to the plaintiff in the action. With respect to actions with a return date on or after October 1, 2015, in order to ensure that all necessary consents to the disclosure of nonpublic personal financial information have been provided to the mortgagee, such that a spouse may be considered a permitted successor-in-interest, the court shall confirm that the foreclosure mediation certificate submitted by [(A)] (1) the spouse or former spouse provides consent to the full disclosure by the mortgagee of such spouse's or former spouse's nonpublic personal financial information to any other person who is obligated as a borrower on the note, to the extent the mortgagee has such information, and [(B)] (2) any other person who is a mortgagor provides consent to the full disclosure by the mortgagee of such person's nonpublic personal financial information to such spouse or former spouse, to the extent the mortgagee has such information. If a foreclosure mediation certificate is not submitted by a mortgagor, other than a spouse or former spouse claiming to be a permitted successor-in-interest, the court shall confirm, in lieu of the requirements of [subparagraph (B) of this subdivision] subdivision (2) of this subsection, that the foreclosure mediation certificate submitted by the spouse or former spouse contains a statement, signed by the spouse or former spouse, certifying that all persons who are obligated on the note have otherwise given documentation to the mortgagee which allows for the full disclosure by the mortgagee of such person's nonpublic personal information to the spouse or former spouse, to the extent the mortgagee has such information. Such a certification may be rebutted conclusively by the mortgagee if the mortgagee submits a written statement to the court in which the mortgagee certifies that, based upon reasonable belief, the mortgagee does not possess such documentation.

[(4)] (d) Upon receipt of the mortgagor's appearance and foreclosure mediation certificate forms, and provided the court confirms the

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defendant in the foreclosure action is a mortgagor and that said mortgagor has sent a copy of the mediation certificate form to the plaintiff, the court shall assign the case to mediation and issue notice of such assignment to all appearing parties, which notice shall include an electronic mail address for all communications related to the mediation. The court shall issue such notice not earlier than the date five business days after the return date or by the date three business days after the date on which the court receives the mortgagor's appearance and foreclosure mediation certificate forms, whichever is later, except that if the court does not receive the appearance and foreclosure mediation certificate forms from the mortgagor by the date fifteen days after the return date for the foreclosure action, the court shall not assign the case to mediation. Promptly upon receipt of the notice of assignment, but not later than the thirty-fifth day following the return date, the mortgagee or its counsel shall deliver to the mediator, via the electronic mail address provided for communications related to the mediation, and to the mortgagor, via first class, priority or overnight mail, [(A)] (1) an account history identifying all credits and debits assessed to the loan account and any related escrow account in the immediately preceding twelve-month period and an itemized statement of the amount required to reinstate the mortgage loan with accompanying information, written in plain language, to explain any codes used in the history and statement which are not otherwise self-explanatory, [(B)] (2) the name, business mailing address, electronic mail address, facsimile number and direct telephone number of an individual able to respond with reasonable adequacy and promptness to questions relative to the information submitted to the mediator pursuant to this subdivision, and any subsequent updates to such contact information, which shall be provided reasonably promptly to the mediator via the electronic mail address provided for communication related to the mediation, [(C)] (3) current versions of all reasonably necessary forms and a list of all documentation reasonably necessary for the mortgagee to evaluate the mortgagor for common alternatives to foreclosure that are available

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through the mortgagee, if any, [(D)] (4) a copy of the note and mortgage, including any agreements modifying such documents, [(E)] (5) summary information regarding the status of any pending foreclosure avoidance efforts being undertaken by the mortgagee, [(F)] (6) a copy of any loss mitigation affidavit filed with the court, [and (G)] (7) at the mortgagee's option, [(i) the history of foreclosure avoidance efforts with respect to the mortgagor, (ii)] (A) information regarding the condition of mortgaged property, and [(iii)] (B) such other information as the mortgagee may determine is relevant to meeting the objectives of the mediation program, (8) if the mortgage is a federally backed mortgage loan, as defined in Section 4022 of P.L. 116-136, the history of the mortgagee's compliance with any obligation to notify the mortgagor of loss mitigation or foreclosure alternative options available for federally backed mortgage loans, including, without limitation, any such options required or made available pursuant to any order, directive or regulation issued by any federal governmental authority in response to COVID-19 during the public health and civil preparedness emergencies declared by the Governor on March 10, 2020, or any extension of such declarations, and (9) the history of foreclosure avoidance efforts voluntarily undertaken by the mortgagee with respect to the mortgagor. For the purposes of this subsection, "COVID-19" means the respiratory disease designated by the World Health Organization on February 11, 2020, as coronavirus 2019, and any related mutation thereof recognized by the World Health Organization as a communicable respiratory disease. Following the mediator's receipt of such information, the court shall assign a mediator to the mediation and schedule a meeting with the mediator and all mortgagors who are relevant and necessary to the mediation and to any agreement being contemplated in connection with the mediation and shall endeavor to hold such meeting on or prior to the forty-ninth day following the return date. The notice of such meeting shall instruct the mortgagor to complete the forms prior to the meeting and to furnish such forms together with the documentation contained in the list, as provided by the mortgagee following the filing of the



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foreclosure mediation certificate, at the meeting. At such meeting, the mediator shall review such forms and documentation with the mortgagor, along with the information supplied by the mortgagee, in order to discuss the options that may be available to the mortgagor, including any community-based resources, and assist the mortgagor in completing the forms and furnishing the documentation necessary for the mortgagee to evaluate the mortgagor for alternatives to foreclosure. The mediator may elect to [schedule subsequent meetings with the mortgagor and] conduct such meeting or any subsequent meeting with the mortgagor on a virtual platform approved by the mediator and may determine whether any mortgagor may be excused from an in-person appearance at such meeting or subsequent meeting. The mediator may excuse any mortgagor from attending such meeting or any subsequent meetings, provided the mortgagor shows good cause for nonattendance. Such good cause may include, but is not limited to, the mortgagor no longer owning the home pursuant to a judgment of marital dissolution and related transfer via deed, or no longer residing in the home and not being a necessary party to any agreement being contemplated in connection with the mediation. As soon as practicable, but in no case later than the eighty-fourth day following the return date, or the extended deadline if such an extended deadline is established pursuant to this subdivision, the mediator shall facilitate and confirm the submission by the mortgagor of the forms and documentation to the mortgagee's counsel via electronic means and, at the mortgagee's election, directly to the mortgagee per the mortgagee's instruction, and determine, based on the participating mortgagor's attendance at the meetings and the extent the mortgagor completed the forms and furnished the documentation contemplated in this subdivision, or failed to perform such tasks through no material fault of the mortgagee, and file a report with the court indicating, [(I)] (A) whether mediation shall be scheduled with the mortgagee, [(II)] (B) whether the mortgagor attended scheduled meetings with the mediator, [(III)] (C) whether the mortgagor fully or substantially completed the forms and furnished the

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documentation requested by the mortgagee, [(IV)] (D) the date on which the mortgagee supplied the forms and documentation, and [(V)] (E) any other information the mediator determines to be relevant to the objectives of the mediation program. The mediator may file, and the court may grant, a motion for extension of the premediation period beyond the eighty-fourth day following the return date if good cause can be shown for such an extension. Any such motion shall be filed, with a copy simultaneously sent to the mortgagee and as soon as practicable to the mortgagor, not later than the eighty-fourth day following the return date. The mortgagee and mortgagor shall each have five business days from the day the motion was filed to file an objection or supplemental papers, and the court shall issue its ruling, without a hearing, not later than ten business days from the date the motion was filed. If the court determines that good cause exists for an extension, the court shall therewith establish an extended deadline so that the premediation period shall end as soon thereafter as may be practicable, but not later than thirty-five days from the date of the ruling, taking into account the complexity of the mortgagor's financial circumstances, the mortgagee's documentation requirements, and the timeliness of the mortgagee's and mortgagor's compliance with their respective premediation obligations. If the court denies the mediator's motion, the extended deadline for purposes of this subdivision shall be three days after the court rules on the motion. No meeting or communication between the mediator and mortgagor under this subdivision shall be treated as an impermissible ex parte communication. If the mediator determines that the mortgagee shall participate in mediation, the court shall promptly issue notice to all parties of such determination and schedule a mediation session between the mortgagee and all mortgagors who are relevant and necessary to the mediation and to any agreement being contemplated in connection with the mediation, in accordance with subsection [(c)] (a) of section 49-31n, as amended by this act, to be held not later than five weeks following the submission to the mortgagee of the forms and documentation contemplated in this

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[subdivision] subsection. The mediator may excuse any mortgagor from attending the mediation session or subsequent meetings, provided good cause is shown for nonattendance. Such good cause may include, but is not limited to, the mortgagor no longer owning the home pursuant to a judgment of marital dissolution and related transfer via deed, no longer residing in the home or not being a necessary party to any agreement being contemplated in connection with the mediation. If the mediator determines that no sessions between the mortgagee and mortgagor shall be scheduled, the court shall promptly issue notice to all parties regarding such determination and mediation shall be terminated. Any mortgagor wishing to contest such determination shall petition the court and show good cause for reinclusion in the mediation program, including, but not limited to, a material change in financial circumstances or a mistake or misunderstanding of the facts by the mediator.

[(5)] (e) Notwithstanding the provisions of this [subsection] section, the court may refer a foreclosure action brought by a mortgagee to the Ezequiel Santiago Foreclosure Mediation Program established pursuant to section 49-31m at any time, for good cause shown, provided the mortgagor has filed an appearance in said action and further provided the court shall, not later than the date three business days after the date on which it makes such referral, send a notice to each appearing party assigning the case to mediation and requiring the parties to participate in the premediation process described in [subdivision (4) of this] subsection (d) of this section, with the court establishing deadlines to ensure that the premediation process is to be completed by the parties as expeditiously as the circumstances warrant and permit. When determining whether good cause exists, the court shall consider whether the parties are likely to benefit from mediation and, in the case of a referral after prior attempts at mediation have been terminated, whether there has been a material change in circumstances.

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[(6)] (f) Notwithstanding any provision of the general statutes or any rule of law, prior to July 1, [2023, (A)] 2029, (1) for the period of time which shall not exceed eight months from the return date, the mortgagor shall be permitted to file an answer, special defenses or counterclaims, but no mortgagee or mortgagor shall make any motion, request or demand with respect to the other, except those motions, requests or demands that relate to the mediation program described in section 49-31m and the mediation sessions held pursuant to such program, provided [(i)] (A) a mortgagor seeking to contest the court's jurisdiction may file a motion to dismiss and the mortgagee may object to such motion to dismiss in accordance with applicable law and the rules of the courts, and [(ii)] (B) if the mortgagor elects to make any other motion, request or demand with respect to the mortgagee, the eight-month limit shall no longer apply to either party; and [(B)] (2) no judgment of strict foreclosure nor any judgment ordering a foreclosure sale shall be entered in any action subject to the provisions of this subsection and instituted by the mortgagee to foreclose a mortgage on residential real property or real property owned by a religious organization unless: [(i)] (A) The mediation period set forth in subsection [(c)] (a) of section 49-31n, as amended by this act, has expired or has otherwise terminated, whichever is earlier, and, if fewer than eight months has elapsed from the return date at the time of termination, fifteen days have elapsed since such termination and any pending motion or request to extend the mediation period has been heard and denied by the court, or [(ii)] (B) the mediation program is not otherwise required or available. Nothing in this subdivision shall affect any motion made or any default or judgment entered on or before June 30, 2011.

[(7)] (g) With respect to foreclosure actions with a return date during the period from July 1, 2011, to June 30, [2023] 2029, inclusive, notwithstanding any provision of the general statutes or any rule of law to the contrary, the mortgagee shall be permitted following the eight-

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month or fifteen-day period described in [subdivision (6) of this] subsection (f) of this section, to simultaneously file, as applicable, [(A)] (1) a motion for default, and [(B)] (2) a motion for judgment of strict foreclosure or a motion for judgment of foreclosure by sale with respect to the mortgagor in the foreclosure action.

[(8)] (h) None of the mortgagor's or mortgagee's rights in the foreclosure action shall be waived by participation in the Ezequiel Santiago Foreclosure Mediation Program.

Sec. 2. Section 49-31n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

[(a) Prior to July 1, 2023: (1) Any action for the foreclosure of a mortgage on residential real property with a return date during the period from July 1, 2008, to June 30, 2009, inclusive, shall be subject to the provisions of subsection (b) of this section, and (2) any action for the foreclosure of a mortgage on (A) residential real property with a return date during the period from July 1, 2009, to June 30, 2023, inclusive, or (B) real property owned by a religious organization with a return date during the period from October 1, 2011, to June 30, 2023, inclusive, shall be subject to the provisions of subsection (c) of this section.

(b) (1) For any action for the foreclosure of a mortgage on residential real property with a return date during the period from July 1, 2008, to June 30, 2009, inclusive, the mediation period under the Ezequiel Santiago Foreclosure Mediation Program established pursuant to section 49-31m shall commence when the court sends notice to each appearing party that a foreclosure mediation request form has been submitted by a mortgagor to the court, which notice shall be sent not later than three business days after the court receives a completed foreclosure mediation request form. The mediation period shall conclude not later than the conclusion of the third mediation session between the mortgagor and mortgagee or seven months after the return

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date, whichever is earlier, except that the court may, in its discretion, for good cause shown, upon the motion of any party or the mediator, extend the mediation period subject to the provisions of subdivision (9) of this subsection or shorten the mediation period.

(2) The first mediation session shall be held not later than fifteen business days after the court sends notice to all parties that a foreclosure mediation request form has been submitted to the court. The mortgagor and mortgagee shall appear in person at each mediation session and shall have the ability to mediate, except that (A) if a party is represented by counsel, the party's counsel may appear in lieu of the party to represent the party's interests at the mediation, provided the party has the ability to mediate, and the party is available (i) during the mediation session by telephone, and (ii) to participate in the mediation session by speakerphone, provided an opportunity is afforded for confidential discussions between the party and party's counsel, (B) following the initial mediation session, if there are two or more mortgagors who are self-represented, only one mortgagor shall be required to appear in person at each subsequent mediation session unless good cause is shown, provided the other mortgagors are available (i) during the mediation session, and (ii) to participate in the mediation session by speakerphone, (C) if a party suffers from a disability or other significant hardship that imposes an undue burden on such party to appear in person, the mediator may grant permission to such party to participate in the mediation session by telephone, and (D) a mortgagor may be excused from appearing at the mediation session if good cause is shown that the presence of such mortgagor is not needed to further the interests of mediation. Such good cause may include, but is not limited to, the mortgagor no longer owning the home pursuant to a judgment of marital dissolution and related transfer via deed, no longer residing in the home or not being a necessary party to any agreement being contemplated in connection with the mediation. A mortgagor's spouse, who is not a mortgagor but who lives in the subject property, may

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appear at each mediation session, provided all appearing mortgagors consent, in writing, to such spouse's appearance or such spouse shows good cause for his or her appearance and the mortgagors consent in writing to the disclosure of nonpublic personal information to such spouse. If the mortgagor has submitted a complete package of financial documentation in connection with a request for a particular foreclosure alternative, the mortgagee shall have thirty-five days from the receipt of the completed package to respond with a decision and, if the decision is a denial of the request, provide the reasons for such denial. If the mortgagor has, in connection with a request for a foreclosure alternative, submitted a financial package that is not complete, or if the mortgagee's evaluation of a complete package reveals that additional information is necessary to underwrite the request, the mortgagee shall request the missing or additional information within a reasonable period of time of such evaluation. If the mortgagee's evaluation of a complete package reveals that additional information is necessary to underwrite the request, the thirty-five-day deadline for a response shall be extended but only for so long as is reasonable given the timing of the mortgagor's submission of such additional information and the nature and context of the required underwriting. Not later than the third business day after each mediation session held on or after June 18, 2013, the mediator shall file with the court a report indicating, to the extent applicable, (i) the extent to which each of the parties complied with the requirements set forth in this subdivision, including the requirement to engage in conduct that is consistent with the objectives of the mediation program and to possess the ability to mediate, (ii) whether the mortgagor submitted a complete package of financial documentation to the mortgagee, (iii) a general description of the foreclosure alternative being requested by the mortgagor, (iv) whether the mortgagor has previously been evaluated for similar requests, whether prior to mediation or in mediation, and, if so, whether there has been any apparent change in circumstances since a decision was made with respect to that prior evaluation, (v) whether the mortgagee has

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responded to the mortgagor's request for a foreclosure alternative and, if so, a description of the response and whether the mediator is aware of any material reason not to agree with the response, (vi) whether the mortgagor has responded to an offer made by the mortgagee on a reasonably timely basis, and if so, an explanation of the response, (vii) whether the mortgagee has requested additional information from the mortgagor and, if so, the stated reasons for the request and the date by which such additional information shall be submitted so that information previously submitted by the mortgagor, to the extent possible, may still be used by the mortgagee in conducting its review, (viii) whether the mortgagor has supplied, on a reasonably timely basis, any additional information that was reasonably requested by the mortgagee, and, if not, the stated reason for not doing so, (ix) if information provided by the mortgagor is no longer current for purposes of evaluating a foreclosure alternative, a description of the out-of-date information and an explanation as to how and why such information is no longer current, (x) whether the mortgagee has provided a reasonable explanation of the basis for a decision to deny a request for a loss mitigation option or foreclosure alternative and whether the mediator is aware of any material reason not to agree with that decision, (xi) whether the mortgagee has complied with the time frames set forth in this subdivision for responding to requests for decisions, (xii) if a subsequent mediation session is expected to occur, a general description of the expectations for such subsequent session and for the parties prior to such subsequent session and, if not otherwise addressed in the report, whether the parties satisfied the expectations set forth in previous reports, and (xiii) a determination of whether the parties will benefit from further mediation. The mediator shall deliver a copy of such report to each party to the mediation when the mediator files the report. The parties shall have the opportunity to submit their own supplemental information following the filing of the report, provided such supplemental information shall be submitted not later than five business days following the receipt of the mediator's report.



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Any request by the mortgagee to the mortgagor for additional or updated financial documentation shall be made in writing. The court may impose sanctions on any party or on counsel to a party if such party or such counsel engages in intentional or a pattern or practice of conduct during the mediation process that is contrary to the objectives of the mediation program. Any sanction that is imposed shall be proportional to the conduct and consistent with the objectives of the mediation program. Available sanctions shall include, but not be limited to, terminating mediation, ordering the mortgagor or mortgagee to mediate in person, forbidding the mortgagee from charging the mortgagor for the mortgagee's attorney's fees, awarding attorney's fees, and imposing fines. In the case of egregious misconduct, the sanctions shall be heightened. The court shall not award attorney's fees to any mortgagee for time spent in any mediation session if the court finds that such mortgagee has failed to comply with this subdivision, unless the court finds reasonable cause for such failure.

(3) If the mediator reports to the court that the parties will not benefit from further mediation, the mediation period shall terminate automatically. If the mediator reports to the court after the first or second mediation session that the parties may benefit from further mediation, the mediation period shall continue.

(4) If the mediation period concludes and certain issues have not been resolved pursuant to the mediation, the mediator may refer the mortgagor to any appropriate community-based services that are available.

(5) The Chief Court Administrator shall establish policies and procedures to implement this subsection. Such policies and procedures shall, at a minimum, provide that the mediator shall advise the mortgagor at the first meeting required by subdivision (4) of subsection (c) of section 49-311 that a judgment of strict foreclosure or foreclosure by sale may cause the mortgagor to lose the residential real property to

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foreclosure.

(6) In no event shall any determination issued by a mediator under this program form the basis of an appeal of any foreclosure judgment.

(7) Foreclosure mediation request forms shall not be accepted by the court under this subsection on or after July 1, 2023, and the Ezequiel Santiago Foreclosure Mediation Program shall terminate when all mediation has concluded with respect to any applications submitted to the court prior to July 1, 2023.

(8) At any time during the mediation period, the mediator may refer a mortgagor who is the owner-occupant of one-to-four family residential real property to the mortgage assistance programs, except that any such referral shall not prevent a mortgagee from proceeding to judgment when the conditions specified in subdivision (6) of subsection (b) of section 49-311 have been satisfied.

(9) (A) The mediation period shall conclude following the third mediation session or if more than seven months have elapsed since the return date. Not later than fifteen days following the conclusion of the mediation period, and any extended mediation sessions held in accordance with this subdivision, any party may move for, or the mediator may request, an extension of the mediation period. The court shall grant only one additional mediation session per motion or request upon a finding that it is highly probable the parties will reach an agreement through mediation. The court may also grant one additional mediation session per motion or request upon a finding that any party has engaged, either intentionally or by a pattern or practice, in conduct that is contrary to the objectives of the mediation program. The court shall make its ruling not later than twenty days after the filing of such motion or request, and no judgment of strict foreclosure or any judgment ordering a foreclosure sale shall be entered until (i) the court denies the motion or request, or (ii) the conclusion of the extended

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mediation session, except as provided in subparagraph (B) of this subdivision. Upon the grant of an additional mediation session following the proper finding, the court shall establish an expeditious deadline for such extended mediation session to occur. Such extended mediation period shall conclude following such extended mediation session.

(B) The mediation period may be extended for one additional mediation session without a hearing held pursuant to this subdivision provided all parties to the mediation agree that such parties would benefit from such a session and, in consultation with the mediator, establish an expeditious deadline for such session to take place.

(C) To determine whether to extend mediation, the court may consider all matters that have arisen in the mediation, including, but not limited to, the number of motions to extend mediation, the reasons for which an agreement has not been reached, the objectives of the mediation program, the extent to which the parties will benefit from further mediation, the reports submitted by the mediator, papers submitted in connection with any motion, and any supplemental reports submitted by a party. The court shall articulate its reasons in the order granting or denying any such motion or request to extend mediation.

(10) For any case pending as of October 1, 2013, in which mediation is ongoing, (A) if three or fewer sessions have been held, such case shall be treated as if no sessions have been held as of said date for purposes of subdivision (9) of this subsection, and (B) if four or more sessions have been held, then any party or the mediator may move to terminate the mediation period or extend such period in accordance with subdivision (9) of this subsection and, if no such motion to extend is made, the mediation period shall conclude after the third mediation session occurring after October 1, 2013.]

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[(c) (1)] (a) For any action for the foreclosure of a mortgage on residential real property with a return date during the period from July 1, 2009, to June 30, [2023] 2029, inclusive, or for any action for the foreclosure of a mortgage on real property owned by a religious organization with a return date during the period from October 1, 2011, to June 30, [2023] 2029, inclusive, the mediation period under the Ezequiel Santiago Foreclosure Mediation Program established pursuant to section 49-31m shall commence when the court sends notice to each appearing party scheduling the first foreclosure mediation session. The mediation period shall conclude not later than the conclusion of the third mediation session between the mortgagor and mortgagee or seven months after the return date, whichever is earlier, except that the court may, in its discretion, for good cause shown, upon the motion of any party or request by the mediator, extend the mediation period subject to the provisions of [subdivision (9) of this subsection] subsection (i) of this section or shorten the mediation period.

[(2) The mortgagor and mortgagee shall appear in person at each] (b) Each mediation session shall be conducted in person, unless the mediator elects to conduct the mediation session on a virtual platform or grants permission to a party, or to the party's counsel, to appear at the mediation session on a virtual platform approved by the mediator. In determining whether to conduct a mediation session on a virtual platform or to grant permission to appear at a mediation session on a virtual platform, the mediator may consider the desires of the parties and the parties' counsel, the technological and physical capabilities of the parties and the parties' counsel and the objectives of the mediation program. The mortgagor and mortgagee shall appear at each mediation session, in person or on a virtual platform, as applicable, and shall have the ability to mediate, except that [(A)] (1) if a party is represented by counsel, the party's counsel may appear in lieu of the party to represent the party's interests at the mediation, provided the party has the ability to mediate and the party is available [(i)] (A) during the mediation

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session by telephone, and [(ii)] (B) to participate in the mediation session by speakerphone or teleconference, provided an opportunity is afforded for confidential discussions between the party and party's counsel, [(B)] (2) following the initial mediation session, if there are two or more mortgagors who are self-represented, only one mortgagor shall be required to appear [in person] at each subsequent mediation session unless good cause is shown, provided the other mortgagors are available [(i)] (A) during the mediation session, and [(ii)] (B) to participate in the mediation session by speakerphone or teleconference, [(C)] (3) if a party suffers from a disability or other significant hardship that imposes an undue burden on such party to appear in person, the mediator may grant permission to such party to participate in the mediation session by telephone, and [(D)] (4) a mortgagor may be excused from appearing at the mediation session if cause is shown that the presence of such mortgagor is not needed to further the interests of mediation. Such cause may include, but is not limited to, the mortgagor no longer owning the home pursuant to a judgment of marital dissolution and related transfer via deed or no longer residing in the home or not being a necessary party to any agreement being contemplated in connection with the mediation. A mortgagor's spouse, who is not a mortgagor but who lives in the subject property, may appear at each mediation session, provided all appearing mortgagors consent, in writing, to such spouse's appearance or such spouse shows good cause for his or her appearance and the mortgagors consent, in writing, to the disclosure of nonpublic personal information to such spouse. If the mortgagor has submitted a complete package of financial documentation in connection with a request for a particular foreclosure alternative, the mortgagee shall have thirty-five days from the receipt of the completed package to respond with a decision and, if the decision is a denial of the request, provide the reasons for such denial. If the mortgagor has, in connection with a request for a foreclosure alternative, submitted a financial package that is not complete, or if the mortgagee's evaluation of a complete package reveals that additional

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information is necessary to underwrite the request, the mortgagee shall request the missing or additional information within a reasonable period of time of such evaluation. If the mortgagee's evaluation of a complete package reveals that additional information is necessary to underwrite the request, the thirty-five-day deadline for a response shall be extended but only for so long as is reasonable given the timing of the mortgagor's submission of such additional information and the nature and context of the required underwriting. Not later than the third business day after each mediation session, the mediator shall file with the court a report indicating, to the extent applicable, [(i)] (A) the extent to which each of the parties complied with the requirements set forth in this subdivision, including the requirement to engage in conduct that is consistent with the objectives of the mediation program and to possess the ability to mediate, [(ii)] (B) whether the mortgagor submitted a complete package of financial documentation to the mortgagee, [(iii)] (C) a general description of the foreclosure alternative being requested by the mortgagor, [(iv)] (D) whether the mortgagor has previously been evaluated for similar requests, whether prior to mediation or in mediation, and, if so, whether there has been any apparent change in circumstances since a decision was made with respect to that prior evaluation, [(v)] (E) whether the mortgagee has responded to the mortgagor's request for a foreclosure alternative and, if so, a description of the response and whether the mediator is aware of any material reason not to agree with the response, [(vi)] (F) whether the mortgagor has responded to an offer made by the mortgagee on a reasonably timely basis, and if so, an explanation of the response, [(vii)] (G) whether the mortgagee has requested additional information from the mortgagor and, if so, the stated reasons for the request and the date by which such additional information shall be submitted so that information previously submitted by the mortgagor, to the extent possible, may still be used by the mortgagee in conducting its review, [(viii)] (H) whether the mortgagor has supplied, on a reasonably timely basis, any additional information that was reasonably requested by the mortgagee,

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and, if not, the stated reason for not doing so, [(ix)] (I) if information provided by the mortgagor is no longer current for purposes of evaluating a foreclosure alternative, a description of the out-of-date information and an explanation as to how and why such information is no longer current, [(x)] (J) if the mortgage is a federally backed mortgage loan, as defined in Section 4022 of P.L. 116-136, the history of the mortgagee's compliance with any obligation to notify the mortgagor of loss mitigation or foreclosure alternative options available for federally backed mortgage loans, including, without limitation, any such options required or made available pursuant to any order, directive or regulation issued by any federal governmental authority in response to COVID-19, as defined in subsection (d) of section 49-31l, as amended by this act, during the public health and civil preparedness emergencies declared by the Governor on March 10, 2020, or any extension of such declarations, (K) the history of foreclosure avoidance efforts voluntarily undertaken by the mortgagee with respect to the mortgagor, (L) whether the mortgagee has provided a reasonable explanation of the basis for a decision to deny a request for a loss mitigation option or foreclosure alternative and whether the mediator is aware of any material reason not to agree with that decision, [(xi)] (M) whether the mortgagee has complied with the time frames set forth in this subdivision for responding to requests for decisions, [(xii)] (N) if a subsequent mediation session is expected to occur, a general description of the expectations for such subsequent session and for the parties prior to such subsequent session and, if not otherwise addressed in the report, whether the parties satisfied the expectations set forth in previous reports, and [(xiii)] (O) a determination of whether the parties will benefit from further mediation. The mediator shall deliver a copy of such report to each party to the mediation when the mediator files the report. The parties shall have the opportunity to submit their own supplemental information following the filing of the report, provided such supplemental information shall be submitted not later than five business days following the receipt of the mediator's report. Any

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request by the mortgagee to the mortgagor for additional or updated financial documentation shall be made in writing. The court may impose sanctions on any party or on counsel to a party if such party or such counsel engages in intentional or a pattern or practice of conduct during the mediation process that is contrary to the objectives of the mediation program. Any sanction that is imposed shall be proportional to the conduct and consistent with the objectives of the mediation program. Available sanctions shall include, but not be limited to, terminating mediation, ordering the mortgagor or mortgagee to mediate in person, forbidding the mortgagee from charging the mortgagor for the mortgagee's attorney's fees, awarding attorney's fees, and imposing fines. In the case of egregious misconduct, the sanctions shall be heightened. The court shall not award attorney's fees to any mortgagee for time spent in any mediation session if the court finds that such mortgagee has failed to comply with this subdivision, unless the court finds reasonable cause for such failure.

[(3)] (c) If the mediator reports to the court that the parties will not benefit from further mediation, the mediation period shall terminate automatically. If the mediator reports to the court after the first or second mediation session that the parties may benefit from further mediation, the mediation period shall continue.

[(4)] (d) If the mediation period concludes and certain issues have not been resolved pursuant to the mediation, the mediator may refer the mortgagor to any appropriate community-based services that are available in the judicial district, but any such referral shall not cause a delay in the mediation process.

[(5)] (e) The Chief Court Administrator shall establish policies and procedures to implement this [subsection] section. Such policies and procedures shall, at a minimum, provide that the mediator shall advise the mortgagor at the first meeting required by [subdivision (4) of subsection (c)] subsection (d) of section 49-311, as amended by this act,



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that: [(A)] (1) Such mediation does not suspend the mortgagor's obligation to respond to the foreclosure action beyond the limited time frame described in [subdivision (6) of subsection (c)] subsection (f) of section 49-31l, as amended by this act; and [(B)] (2) a judgment of strict foreclosure or foreclosure by sale may cause the mortgagor to lose the residential real property or real property owned by a religious organization to foreclosure.

[(6)] (f) In no event shall any determination issued by a mediator under this program form the basis of an appeal of any foreclosure judgment.

[(7)] (g) The foreclosure mediation program shall terminate when all mediation has concluded with respect to any foreclosure action with a return date during the period from July 1, 2009, to June 30, [2023] 2029, inclusive.

[(8)] (h) At any time during the mediation period, the mediator may refer a mortgagor who is the owner-occupant of one-to-four family residential real property to the mortgage assistance programs, except that any such referral shall not prevent a mortgagee from proceeding to judgment when the conditions specified in [subdivision (6) of subsection (c)] subsection (f) of section 49-31l, as amended by this act, have been satisfied.

[(9) (A)] (i) (1) The mediation period shall conclude following the third mediation session or if more than seven months have elapsed since the return date. Not later than fifteen days following the conclusion of the mediation period, and any subsequent extended mediation sessions held in accordance with this subdivision, any party may move for, or the mediator may request, an extension of the mediation period. The court shall grant only one additional mediation session per motion or request upon a finding that it is highly probable the parties will reach an agreement through mediation. The court may also grant one

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additional mediation session per motion or request upon a finding that any party has engaged, either intentionally or by a pattern or practice, in conduct that is contrary to the objectives of the mediation program. The court shall make its ruling not later than twenty days after the filing of such motion or request, and no judgment of strict foreclosure or any judgment ordering a foreclosure sale shall be entered until [(i)] (A) the court denies the motion or request, or [(ii)] (B) the conclusion of the subsequent extended mediation session, except as provided in [subparagraph (B) of this] subdivision (2) of this subsection. Upon the grant of an additional mediation session following the proper finding, the court shall establish a reasonably expeditious deadline for such subsequent extended mediation session to occur. Such extended mediation period shall conclude following such subsequent extended mediation session.

[(B)] (2) The mediation period may be extended for one additional mediation session without a hearing held pursuant to this subdivision provided all parties to the mediation agree that such parties would benefit from such a session and, in consultation with the mediator, establish a reasonably expeditious deadline for such session to take place.

[(C)] (3) To determine whether to extend mediation, the court may consider all matters that have arisen in the mediation, including, but not limited to, the number of motions to extend mediation, the reasons for which an agreement has not been reached, the objectives of the mediation program, the extent to which the parties will benefit from further mediation, the reports submitted by the mediator, papers submitted in connection with any motion, and any supplemental reports submitted by a party. The court shall articulate its reasons in the order granting or denying any such motion or request to extend mediation.

[(10)] (j) For any case pending as of October 1, 2013, in which

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mediation is ongoing, [(A)] (1) if three or fewer sessions have been held, such case shall be treated as if no sessions have been held as of said date for purposes of [subdivision (9) of this] subsection (i) of this section, and [(B)] (2) if four or more sessions have been held, then any party or the mediator may move to terminate the mediation period or extend such period in accordance with [subdivision (9) of this] subsection (i) of this section and, if no such motion to extend is made, the mediation period shall conclude after the third mediation session occurring after October 1, 2013.

[(d) (1) Not later than February 14, 2014, the Chief Court Administrator shall submit, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to banking, a summary regarding the mediation program and a general summary of the data collected in the reports submitted pursuant to subdivision (2) of subsections (b) and (c) of this section from July 1, 2013, to December 31, 2013, inclusive. Such summaries shall include, but not be limited to, the aggregate data regarding the number of cases in mediation, the number of mediation sessions held, the number of agreements reached before the conclusion of the mediation period, the number of motions or requests for an extension or continuance and the identity of the party that made such a motion or request, whether the loan at issue was serviced by a third party, the judicial district in which the mediation took place and whether the mortgagor was self-represented.

(2) Not later than March 1, 2021, and March 1, 2023, the Chief Court Administrator shall submit, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to banking, a summary of the reports submitted from July 1, 2013, to December thirty-first of the immediately preceding year, inclusive, pursuant to subdivision (2) of subsections (b) and (c) of this section. The detailed data points for such summary,

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including data to be collected but not reported, shall be developed by the Chief Court Administrator in consultation with representatives from the Governor's office, the Department of Banking, the banking industry and consumer advocates.]

Sec. 3. Subdivisions (8) and (9) of section 49-31k of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(8) "Ability to mediate" means an exhibition on the part of the relevant person of a willingness, including a reasonable ability, to participate in the mediation process in a manner consistent with the objectives of the mediation program and in conformity with any obligations imposed in accordance with [subdivision (2) of subsection (b) or (c), as applicable, of] section 49-31n, as amended by this act, including, but not limited to, a willingness and reasonable ability to respond to questions and specify or estimate when particular decisions will be made or particular information will be furnished and, with respect to the mortgagee, a reasonable familiarity with the loan file, any loss mitigation options that are available to the mortgagor and the material issues raised in prior mediation sessions. Reasonable familiarity with such material issues may be achieved by becoming reasonably familiar with the mediator reports submitted in accordance with [subdivision (4) of subsections (b) and (c)] subsection (b) of section 49-31n, as amended by this act, to the extent such reports are available;

(9) "Permitted successor-in-interest" means a person who is a defendant in a foreclosure action with a return date on or after October 1, 2015, and either (A) the former spouse of a decedent-mortgagor, who acquired sole title to the residential real property by virtue of a transfer from the decedent-mortgagor's estate or by virtue of the death of the decedent-mortgagor where title was held as joint tenants or tenants in the entirety, or (B) the spouse or former spouse of a mortgagor or former mortgagor who (i) acquired title to the residential real property by

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virtue of a transfer from such mortgagor or former mortgagor where such transfer resulted from a court decree dissolving the marriage, a legal separation agreement or a property settlement agreement incidental to such a decree or separation agreement, and (ii) ensures that all necessary consents to the disclosure of nonpublic personal financial information have been provided to the mortgagee in accordance with [subdivision (3) of] subsection (c) of section 49-31l, as amended by this act.

Sec. 4. Subsection (a) of section 49-31r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) A mortgagee, as defined in section 49-8a, shall include the form promulgated by the Judicial Branch, in accordance with [subdivision (3) of] subsection (c) of section 49-31l, as amended by this act, concerning notice of community-based resources to parties involved in foreclosure mediation with any notice to a mortgagor, as defined in said section 49-8a, of an intent to accelerate the mortgage loan.

Sec. 5. Section 49-31v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

The Ezequiel Santiago Foreclosure Mediation Program established pursuant to section 49-31m shall be funded within available appropriations and available until June 30, [2023] 2029. The size of such program shall be determined by available funding and the number and need of participants in such program.

Sec. 6. Section 8-265cc of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

As used in this section and sections [8-265cc] 8-265dd to 8-265kk, inclusive, as amended by this act, and section 11 of this act:

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(1) "Aggregate family income" means the total income of persons residing in the same household as the [mortgagor] homeowner and any other resident of the household declared by the [mortgagor] homeowner as a dependent for federal tax purposes, from whatever source derived, including, but not limited to, pensions, annuities, retirement benefits and Social Security benefits, provided the authority may exclude from income (A) reasonable allowances for dependents, (B) reasonable allowances for medical expenses, (C) all or any part of the earnings of gainfully employed minors or family members other than the chief wage earner, (D) income not regularly received, and (E) such other expenses as the authority may allow;

(2) "Authority" means the Connecticut Housing Finance Authority created under section 8-244;

(3) "Mortgage" means a mortgage deed or other instrument which constitutes a first or second consensual lien, [on one-to-four family owner-occupied residential real property located in this state, including, but not limited to, a single-family unit in a common interest community] including a reverse mortgage or a home equity conversion mortgage, on residential real property;

(4) "Mortgagee" means the original lender under a mortgage, or its agents, successors, or assigns;

(5) "Mortgagor" means [the owner-occupant of a one-to-four family residential real property located in this state, including, but not limited to, a single family unit in a common interest community,] a homeowner who is also the borrower under a mortgage encumbering such real property;

(6) "Housing expense" means the sum of the [mortgagor's] homeowner's monthly maintenance expense in a common interest community, utility expense, heating expense, hazard insurance

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payment, taxes and required mortgage payment, including escrows;

(7) "Financial hardship due to circumstances beyond the [mortgagor's] homeowner's control" means a significant reduction of aggregate family household income or increase in expenses which reasonably cannot be or could not have been alleviated by the liquidation of assets by the [mortgagor] homeowner as determined by the Connecticut Housing Finance Authority, including, but not limited to, a reduction resulting from (A) (i) unemployment or underemployment of one or more of the [mortgagors] homeowners; (ii) a loss, reduction or delay in receipt of such federal, state or municipal benefits as Social Security, supplemental security income, public assistance and government pensions; (iii) a loss, reduction or delay in receipt of such private benefits as pension, disability, annuity or retirement benefits; (iv) divorce or a loss of support payments; (v) disability, illness or death of a [mortgagor] homeowner; or (B) (i) a significant increase in the dollar amount of the periodic payments required by the mortgage; (ii) an unanticipated rise in housing expenses; or (iii) expenses related to the disability, illness or death of a member of the [mortgagor's] homeowner's family, but does not include expenses related to the accumulation of credit or installment debt incurred for recreational or nonessential items prior to the occurrence of the alleged circumstances beyond the [mortgagor's] homeowner's control in an amount that would have caused the [mortgagor's] homeowner's total debt service to exceed sixty per cent of aggregate family income at that time;

(8) "Consumer credit counseling agency" means a nonprofit corporation or governmental agency located in this state which has been designated by the authority to provide homeowners' emergency mortgage assistance program counseling. A qualified consumer credit counseling agency must either be certified as a housing counseling agency by the federal Department of Housing and Urban Development

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or otherwise determined accepted by the authority;

(9) "Foreclosure mediation program" means the Ezequiel Santiago Foreclosure Mediation Program established pursuant to section 49-31m; [and]

(10) "Periodic payments" means principal, interest, taxes, insurance and, if applicable, condominium fees;

(11) "Lien" means debt secured by a lien on residential real property pursuant to section 7-239, 7-254, 7-258 or 47-258 or chapter 205;

(12) "Lienholder" means the original lienor of a lien, or its agents, successors or assigns;

(13) "Homeowner" means the owner-occupant of residential real property; and

(14) "Residential real property" means a one-to-four family owner-occupied residential real estate located in this state, including, but not limited to, a single-family unit in a common interest community.

Sec. 7. Section 8-265dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) Not later than January 1, 1994, the authority shall establish, within available funds, a program to provide emergency mortgage assistance payments to [mortgagors] homeowners who are mortgagors in accordance with the provisions of sections 8-265cc to 8-265kk, inclusive, as amended by this act. On and after July 1, 2021, the program shall, within available funds, provide emergency lien assistance payments to homeowners in accordance with the provisions of said sections. Any necessary and related administrative and operational expenses incurred by the authority in implementing the program may be paid from funds made available for the program.



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(b) Notwithstanding any provision of the general statutes, or any rule of law to the contrary, on and after July 1, 2008, no judgment of strict foreclosure nor any judgment ordering a foreclosure sale shall be entered in any action instituted by the mortgagee to foreclose a mortgage commenced on or after said date, for the foreclosure of an eligible mortgage unless (1) notice to [the mortgagor] the homeowner who is a mortgagor has been given by the mortgagee in accordance with section 8-265ee, as amended by this act, and the time for response has expired, and (2) a determination has been made on the [mortgagor's] homeowner's application for emergency mortgage assistance payments in accordance with section 8-265ff, as amended by this act, or the applicable time periods set forth in sections 8-265cc to 8-265kk, inclusive, as amended by this act, have expired, whichever is earlier. For purposes of this section and sections 8-265ee to 8-265kk, inclusive, as amended by this act, an "eligible mortgage" is a mortgage which satisfies the standards contained in subdivisions (1), (7) and (9) to (12), inclusive, of subsection (e) of section 8-265ff, as amended by this act.

Sec. 8. Section 8-265ee of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) On and after July 1, 2008, a mortgagee who desires to foreclose upon a mortgage which satisfies the standards contained in subdivisions (1), (9), (10) and (11) of subsection (e) of section 8-265ff, as amended by this act, shall give notice to [the mortgagor] each homeowner who is a mortgagor by registered, or certified mail, postage prepaid at the address of the property which is secured by the mortgage. No such mortgagee may commence a foreclosure of a mortgage prior to mailing such notice. Such notice shall advise the [mortgagor] homeowner of his delinquency or other default under the mortgage and shall state that the [mortgagor] homeowner has sixty days from the date of such notice in which to (1) have a face-to-face meeting, telephone or other conference acceptable to the authority with the mortgagee or a

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face-to-face meeting with a consumer credit counseling agency to attempt to resolve the delinquency or default by restructuring the loan payment schedule or otherwise, and (2) contact the authority, at an address and phone number contained in the notice, to obtain information and apply for emergency mortgage assistance payments if the [mortgagor] homeowner and mortgagee are unable to resolve the delinquency or default.

(b) Except in cases in which the mortgagee refuses to meet with the [mortgagor] homeowner, if the [mortgagor] homeowner fails to meet with the mortgagee or comply with any of the time limitations specified in the notice as provided in subsection (a) of this section, or if the [mortgagor's] homeowner's application is not filed by the date thirty days after the date of any default in payment under an agreement as provided in subsection (c) of this section or if the [mortgagor's] homeowner's application for emergency mortgage assistance payments is not approved by the date thirty calendar days after the date of receipt of the [mortgagor's] homeowner's application in accordance with the provisions of section 8-265ff, as amended by this act, the foreclosure of the [mortgagor's] homeowner's mortgage may, at any time thereafter, except as provided in subsection (e) of this section, continue without any further restriction or requirement under the provisions of sections 8-265cc to 8-265kk, inclusive, as amended by this act, provided the mortgagee files an affidavit with the court stating the notice provisions of subsection (a) of this section have been complied with and that either the [mortgagor] homeowner failed to meet with the mortgagee or failed to comply with all of the time limitations specified in the notice as provided in subsection (a) of this section or that the [mortgagor's] homeowner's application for emergency assistance payments was not approved by the date thirty calendar days after the date of receipt of the [mortgagor's] homeowner's application, or that a determination of ineligibility was made.

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(c) If, after a face-to-face meeting, telephone or other conference acceptable to the authority, as provided in subsection (a) of this section, the [mortgagor] homeowner and the mortgagee reach an agreement to resolve the delinquency or default and, because of financial hardship due to circumstances beyond the [mortgagor's] homeowner's control, the [mortgagor] homeowner is unable to fulfill the obligations of the agreement, the [mortgagor] homeowner may apply to the authority for emergency mortgage assistance payments under sections 8-265cc to 8-265kk, inclusive, as amended by this act, by the date thirty days after the date of any default in payment under the agreement. The mortgagee shall not be required to send any additional notice to the [mortgagor] homeowner other than the notice required under subsection (a) of this section.

(d) Nothing in sections 8-265cc to 8-265kk, inclusive, as amended by this act, shall prevent a [mortgagor] homeowner from exercising rights that may exist under the foreclosure mediation program and those rights may be exercised concurrently with the rights afforded under sections 8-265cc to 8-265kk, inclusive, as amended by this act, provided the exercise of rights under the foreclosure mediation program shall not cause a delay in the determination under subsection (e) of section 8-265ff, as amended by this act. Nothing in sections 8-265cc to 8-265kk, inclusive, as amended by this act, shall prevent a [mortgagor] homeowner from applying or reapplying and being considered for emergency mortgage assistance if such [mortgagor] homeowner is referred to the emergency mortgage assistance program by the foreclosure mediation program.

Sec. 9. Section 8-265ff of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) (1) Any [mortgagor] homeowner who is a mortgagor may apply for emergency mortgage assistance payments under sections 8-265cc to 8-265kk, inclusive, as amended by this act, if [such mortgagor (1)] (A)

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such homeowner (i) has received notice of intent to foreclose as provided in section 8-265ee, as amended by this act, [or (2) (A)] (ii) is sixty days or more delinquent on a mortgage, or [(B) such mortgagor] (iii) anticipates that he or she will be sixty days or more delinquent on a mortgage based on financial hardship beyond such [mortgagor's] homeowner's control, provided the authority determines that such [mortgagor] homeowner will be so delinquent, or (B) the homeowner's mortgage is in forbearance.

(2) Any homeowner may apply for emergency lien assistance payments under sections 8-265cc to 8-265kk, inclusive, as amended by this act, if such homeowner (A) has received notice of the lienholder's intent to foreclose the lien, (B) is sixty days or more delinquent on the debt secured by a lien, or (C) anticipates that he or she will be sixty days or more delinquent on the debt secured by a lien based on financial hardship beyond such homeowner's control, provided the authority determines that such homeowner will be so delinquent.

(3) As part of the application process, the authority may refer the applicant to a counseling agency approved by the United States Department of Housing and Urban Development.

(b) If the [mortgagor] homeowner applies for emergency mortgage or lien assistance payments under sections 8-265cc to 8-265kk, inclusive, as amended by this act, the authority shall, no later than eight business days after the date of receipt of such application, notify all of the mortgagees and lienholders listed on the application holding a mortgage or lien on the [mortgagor's] homeowner's real property.

(c) The [mortgagor] homeowner shall apply for a loan on the form provided by the authority. The [mortgagor] homeowner shall complete and sign the application subject to the penalty for false statement under section 53a-157b.

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(d) The [mortgagor] homeowner shall provide the authority with full disclosure of all assets and liabilities, whether singly or jointly held, and all household income regardless of source. For purposes of this subsection, both of the following are included as assets:

(1) The sum of the household's savings and checking accounts, market value of stocks, bonds and other securities, other capital investments, pensions and retirement funds valued in an amount greater than one hundred thousand dollars, personal property and equity in real property including the subject mortgage or lien property. Income derived from family assets shall be considered as income. Equity is the difference between the market value of the property and the total outstanding principal of any loans secured by the property and other liens.

(2) Lump-sum additions to family assets such as inheritances, capital gains, insurance payments included under health, accident, hazard or workers' compensation policies and settlements, verdicts or awards for personal or property losses or transfer of assets without consideration within one year of the time of application. Pending claims for such items must be identified by the homeowner as contingent assets.

(e) The authority shall make a determination of eligibility for emergency mortgage or lien assistance payments by the date thirty calendar days after the date [of receipt of the mortgagor's] the homeowner's application is received by the authority. During said thirty-day period no judgment of strict foreclosure or any judgment ordering foreclosure by sale shall be entered in any action for the foreclosure of any mortgage or lien any mortgagee or lienholder holds on the [mortgagor's] homeowner's real property. No emergency mortgage or lien assistance payments may be provided unless the authority finds that:

(1) The real property securing the mortgage [is a one-to-four family

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owner-occupied residence, including, but not limited to, a single family unit in a common interest community,] or underlying the lien is residential real property that is the principal residence of the [mortgagor and is located in this state] homeowner;

(2) Payments, including amounts for taxes and insurance payments, including mortgage insurance, or for charges, assessments and fees associated with a condominium or common interest community, as such terms are defined in section 47-202, or any combination of such payments, whether or not such payments are made into escrow or impound accounts as reserves, owed by the [mortgagor] homeowner under any mortgage or lien on such real property have been delinquent and the mortgagee, taxing authority, [or] unit owners association or lienholder has indicated to the [mortgagor] homeowner its intention to foreclose;

(3) The [mortgagor] homeowner is a resident of this state and is suffering financial hardship which renders the [mortgagor] homeowner unable to correct the delinquency or delinquencies within a reasonable time and make full mortgage payments or payments on the debt secured by the lien. For the purposes of subdivision (7) of this subsection, in order to determine whether the financial hardship is due to circumstances beyond the [mortgagor's] homeowner's control, the authority may consider information regarding the [mortgagor's] homeowner's employment, credit history and current and past household income, assets, total debt service, net worth, eligibility for other types of assistance and any other criteria or related factors it deems necessary and relevant;

(4) There is a reasonable prospect that [the mortgagor] (A) a homeowner who applies for emergency mortgage assistance payments will be able to resume full mortgage payments on the original, modified or refinanced mortgage within sixty months after the beginning of the period in which emergency mortgage assistance payments are provided

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in accordance with a written plan formulated or approved by the authority and pay the mortgage in full in level monthly payments of principal and interest, subject only to payment changes as provided in the mortgage, by its maturity date, and (B) a homeowner who applies for emergency lien assistance payments will be able to bring the debt underlying the lien current and resume regular payments to the lienholder for the tax, water, assessment or usage charges underlying the lien after payment by the authority of emergency lien assistance payments;

(5) The [mortgagor] homeowner has applied to the authority for emergency mortgage or lien assistance payments on an application form prescribed by the authority which includes a financial statement disclosing all assets and liabilities of the [mortgagor] homeowner, whether singly or jointly held, and all household income regardless of source;

(6) Based on the financial statement, the [mortgagor] homeowner has insufficient household income or net worth to correct the delinquency or delinquencies within a reasonable period of time and make full mortgage payments or regular payments to the lienholder for the tax, water, assessment or usage charges underlying the lien;

(7) There is a reasonable prospect that the [mortgagor] homeowner, as determined by the authority, will be able to repay the emergency mortgage or lien assistance within a reasonable amount of time under the terms of section 8-265hh, as amended by this act, including through a refinancing of the mortgage, and the authority finds that, except for the current delinquency, [the mortgagor] any homeowner who is a mortgagor has had a favorable residential mortgage credit history for the previous two years or period of ownership, whichever is less. For the purposes of this subdivision, if a [mortgagor] homeowner has been more than thirty days in arrears four or more times on a residential mortgage within the previous year, the [mortgagor] homeowner shall

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be ineligible for emergency mortgage assistance payments unless the [mortgagor] homeowner can demonstrate that the prior delinquency was the result of financial hardship due to circumstances beyond the [mortgagor's] homeowner's control. In making a determination under this subsection, the authority may consider information regarding the structure of the mortgage, its repayment schedule, the length of time the [mortgagor] homeowner has lived in his or her home, and any other relevant factors or criteria it deems appropriate;

(8) The mortgagee or lienholder is not otherwise prevented by law from foreclosing upon the mortgage;

(9) The [mortgagor] homeowner has not mortgaged the real property for commercial or business purposes;

(10) The [mortgagor] homeowner has not previously received emergency mortgage or lien assistance payments from the authority, [provided a mortgagor] except that (A) a homeowner who has previously received [such] mortgage assistance payments shall be eligible to reapply for mortgage assistance if the [mortgagor] homeowner has reinstated the mortgage and the [mortgagor shall not have been] homeowner is not delinquent for at least six consecutive months immediately following such reinstatement, and (B) a homeowner who has previously received lien assistance payments shall be eligible to reapply for lien assistance if the homeowner has brought the debt underlying the lien current and the homeowner is not delinquent on regular payments to the lienholder for the tax, water, assessment or usage charges underlying the lien for eighteen consecutive months immediately following the date such debt is made current;

(11) The [mortgagor] homeowner is not in default under the mortgage except for the monetary delinquency referred to in subdivision (2) of this subsection; and



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(12) The [mortgagor] homeowner meets such other procedural requirements as the authority may establish, provided the authority shall not prohibit a homeowner from participating in the program solely on the basis that the homeowner received a discharge of debt through a bankruptcy filing and did not reaffirm such debt.

Sec. 10. Section 8-265gg of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) If the authority approves a [mortgagor] homeowner for mortgage assistance under the provisions of section 8-265ff, as amended by this act, the authority shall make monthly emergency mortgage assistance payments directly to each mortgagee secured by the [mortgagor's] homeowner's real property for a period not to exceed sixty months, either consecutively or nonconsecutively, except no such payments shall be made after sixty months have passed since the date of the initial payment. The total monthly payment made by the authority, to or on behalf of a [mortgagor] homeowner under subsection (c) of this section, shall be not more than twenty-eight per cent of one hundred forty per cent of annual area median income, as published by the United States Department of Housing and Urban Development, divided by twelve. Upon receipt of payment in full from a [mortgagor] homeowner of the monthly amount established under subsection (b) of this section, the authority shall pay to each mortgagee the full amount then due to the mortgagee pursuant to the terms of the mortgage without regard to any acceleration under the mortgage. Such payments shall include, but not be limited to, principal, interest, taxes, assessments and insurance premiums. The initial payment made by the authority to each mortgagee may be an amount which pays all arrearages and pays reasonable costs and reasonable attorney's fees incurred by the mortgagee in connection with foreclosure of the mortgage.

(b) A [mortgagor] homeowner on whose behalf the authority is making emergency mortgage assistance payments shall, during the

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period in which such assistance is provided, make monthly payments to the authority in lieu of the [mortgagor's] homeowner's monthly mortgage payments. Such payments to the authority shall be in an amount which will cause the [mortgagor's] homeowner's total housing expense to be less than or equal to thirty-five per cent of the [mortgagor's] homeowner's aggregate family income. The [mortgagor] homeowner shall make such payments to the authority not later than seven days before each mortgage payment is due to the mortgagee.

(c) The amount by which the emergency mortgage assistance payments made by the authority to the mortgagee exceeds the payments made by the [mortgagor] homeowner to the authority shall be a loan in that amount made by the authority to the [mortgagor] homeowner. Any such loan shall be evidenced by such documents as the authority may require and shall be subject to repayment with interest and secured as provided in section 8-265hh, as amended by this act.

(d) The authority shall establish procedures for periodic review of the [mortgagor's] homeowner's financial circumstances for the purpose of determining the necessity for continuation, termination or adjustment of the amount of emergency mortgage assistance payments or adjustment of the payments by the [mortgagor] homeowner pursuant to subsection (b) of this section. Payments shall be discontinued when the authority determines that, due to changes in the [mortgagor's] homeowner's financial condition, the payments are no longer necessary in accordance with the standards contained in section 8-265ff, as amended by this act, or the [expiration of the] sixty-month period of [a mortgagor] eligibility for such payments under subsection (e) of section 8-265ff, as amended by this act, has expired, whichever is sooner, and a foreclosure of the [mortgagor's] homeowner's mortgage may, at any time thereafter, proceed without further restriction or requirement under sections 8-265cc to 8-265hh, inclusive, as amended by this act. The authority may adjust payments by the [mortgagor] homeowner

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pursuant to subsection (b) of this section based on a review under this subsection.

(e) If the [mortgagor] homeowner fails to pay to the authority any amounts due under subsection (b) of this section within seven days of the date due to the authority, the authority shall review the [mortgagor's] homeowner's financial circumstances to determine whether the delinquency is the result of additional financial hardship due to circumstances beyond the [mortgagor's] homeowner's control. If the delinquency is not the result of additional financial hardship due to circumstances beyond the [mortgagor's] homeowner's control in the [mortgagor's] homeowner's financial circumstances, the authority shall terminate emergency mortgage assistance payments and the foreclosure of the [mortgagor's] homeowner's mortgage may, at [anytime] any time thereafter, continue without any further restriction or requirement under sections 8-265cc to 8-265kk, inclusive, as amended by this act. If the delinquency is the result of a change in the [mortgagor's] homeowner's financial circumstances, the authority may modify the [mortgagor's] homeowner's required monthly payments to the authority.

(f) If any mortgagee scheduled to receive payments from the authority under the provisions of sections 8-265cc to 8-265kk, inclusive, as amended by this act, fails to receive the full amount of such payment from the authority within thirty days of the scheduled due date, or if the [mortgagor] homeowner fails to observe and perform all of the terms, covenants and conditions of the mortgage, the mortgagee shall provide a fifteen-day notice to the authority and the foreclosure of the [mortgagor's] homeowner's mortgage may, at any time thereafter, proceed without any further restriction or requirement under sections 8-265cc to 8-265kk, inclusive, as amended by this act.

Sec. 11. (NEW) (*Effective October 1, 2021*) (a) If the authority approves a homeowner for emergency lien assistance under the provisions of

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section 8-265ff of the general statutes, as amended by this act, the authority shall make emergency lien assistance payments directly to each lienholder secured by the homeowner's real property for (1) the full amount due and payable to the lienholder under the lien, or (2) the full amount due and payable to the lienholder under the lien for the thirty-six-month period commencing on the date the first tax, water, assessment or usage charge underlying the lien became due and payable, whichever is less. Such payment may be in an amount which pays all arrearages and pays reasonable costs and reasonable attorney's fees incurred by the lienholder in connection with the foreclosure of the lien.

(b) The amount of the emergency lien assistance payments made by the authority to the lienholder shall be a loan in that amount made by the authority to the homeowner. Any such loan shall be evidenced by such documents as the authority may require and shall be subject to repayment with interest and secured as provided in section 8-265hh of the general statutes, as amended by this act.

(c) If any lienholder scheduled to receive payments from the authority under the provisions of sections 8-265cc to 8-265kk, inclusive, of the general statutes, as amended by this act, fails to receive the full amount of such payment from the authority within thirty days of the scheduled due date, or if the homeowner fails to observe and perform all of the terms, covenants and conditions of lien, the lienholder shall provide a fifteen-day notice to the authority and the foreclosure of the lien may, at any time thereafter, proceed without any further restriction or requirement under sections 8-265cc to 8-265kk, inclusive, of the general statutes, as amended by this act.

Sec. 12. Section 8-265hh of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) Upon approval of emergency mortgage or lien assistance

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payments, the authority shall enter into an agreement with the [mortgagor] homeowner for repayment of all such assistance with interest as provided in this section. The agreement shall provide for monthly payments by the [mortgagor] homeowner after emergency mortgage or lien assistance payments have ended and shall be subject to the following provisions:

(1) If the [mortgagor's] homeowner's total housing expense, including projected repayments for [mortgage] assistance under this section, is greater than thirty-five per cent of the [mortgagor's] homeowner's aggregate family income, repayment of the emergency mortgage or lien assistance payments shall be deferred until such total housing expense, including projected repayments for [mortgage] assistance under this section, is less than or equal to thirty-five per cent of such aggregate family income;

(2) If repayment of emergency mortgage or lien assistance payments is not made by the date the mortgage is paid in full, the [mortgagor] homeowner shall make monthly payments to the authority in an amount not less than the monthly mortgage payment until such assistance is repaid;

(3) Interest shall accrue on all emergency mortgage and lien assistance payments made by the authority at a rate based upon the cost of funds to the state periodically determined by the State Treasurer in consultation with the authority. Interest shall start to accrue whenever the [mortgagor] homeowner is required to commence repayment under this section.

(b) Repayment of amounts owed to the authority from a [mortgagor] homeowner under the provisions of sections 8-265cc to 8-265kk, inclusive, as amended by this act, shall be secured by a mortgage on the [mortgagor's] homeowner's real property, provided said mortgage shall not be deemed to take priority over any other mortgage or lien in effect

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against such property on the date the emergency mortgage is recorded. The authority may allow subordination of its mortgage if such subordination is required to permit the [mortgagor] homeowner to obtain a home improvement loan for repairs necessary to preserve the property.

(c) The authority shall establish written procedures for periodic review of the [mortgagor's] homeowner's financial circumstances to determine the amounts of repayment required under this section.

(d) All moneys received by the authority from [mortgagors] homeowners for repayment of emergency mortgage or lien assistance payments shall be paid to the authority, deposited in such funds or accounts as the authority may establish from time to time for such purpose and be used solely for the purposes of the program established pursuant to sections 8-265cc to 8-265kk, inclusive, as amended by this act.

(e) Any [mortgagor] homeowner who misrepresents any financial or other pertinent information in conjunction with the filing of an application for emergency mortgage or lien assistance or modification of such assistance, may be denied assistance and required to immediately repay any amount of assistance already made. The mortgagee or lienholder may, at any time thereafter, take any legal action to enforce the mortgage or lien without further restrictions or requirements.

(f) The authority may take any action it deems appropriate to recover emergency mortgage or lien assistance when the [mortgagor] homeowner fails to repay such assistance under the terms and conditions established under this section.

Sec. 13. Section 8-265ii of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

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The Connecticut Housing Finance Authority shall adopt procedures in accordance with section 1-121 to implement the provisions of sections 8-265cc to 8-265hh, inclusive, as amended by this act. Such procedures shall include the establishment of a process for notification to eligible [mortgagors] homeowners of the availability of funds under sections 8-265cc to 8-265kk, inclusive, as amended by this act, and for notification to the mortgagee or lienholder that an application has been received by or on behalf of the [mortgagor] homeowner and of the authority's determination of eligibility.

Sec. 14. Section 8-265kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) If the authority determines that additional funding sources are necessary to provide emergency mortgage or lien assistance payments to homeowners in accordance with sections 8-265cc to 8-265kk, inclusive, as amended by this act, the authority may, in consultation with the State Treasurer, the Comptroller, representatives from Connecticut-based banks and a state banking industry association, establish as part of the emergency mortgage and lien assistance program a component program that shall be administered by the authority in collaboration with Connecticut-based banks and that may include, but need not be limited to, loan guarantees. Any loan issued under such component program shall be used for the purposes described in sections 8-265cc to 8-265kk, inclusive, as amended by this act. The authority shall notify the State Treasurer of the authority's intention to establish a component program prior to establishing such program and the State Treasurer shall (1) advise the authority as to the state's ability to provide loan guarantees under such program, and (2) recommend guidelines for such guarantees. For purposes of this subsection, "Connecticut-based banks" means banks and out-of-state banks, each as defined in section 36a-2, having deposit-taking branches in the state.

(b) If funds are not available to provide emergency mortgage or lien

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assistance payments to [mortgagors] homeowners in accordance with sections 8-265cc to 8-265kk, inclusive, as amended by this act, the authority shall notify all mortgagees and lienholders and shall not accept applications for emergency mortgage or lien assistance payment. Upon receipt of such notice from the authority and until mortgagees and lienholders receive a further notice from the authority that such funds are again available and applications for [emergency mortgage] such assistance payments are again being accepted by the authority: (1) Mortgagees may commence foreclosure actions without first providing the notice set forth in subsection (a) of section 8-265ee, as amended by this act; and (2) the foreclosure of mortgages and liens by mortgagees or lienholders may continue without any further restriction or requirement under the provisions of sections 8-265cc to 8-265kk, inclusive, as amended by this act.

Approved June 14, 2021