

**Proposed Substitute
Bill No. 891**

LCO No. 5437

**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:

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 Section 49-31l of the general statutes is repealed and the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

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

12 (b) (1) Prior to July 1, 2023, when a mortgagee commences an action
13 for the foreclosure of a mortgage on residential real property with a
14 return date during the period from July 1, 2008, to June 30, 2009,
15 inclusive, the mortgagee shall give notice to the mortgagor of the
16 Ezequiel Santiago Foreclosure Mediation Program established pursuant
17 to section 49-31m by attaching to the front of the foreclosure complaint

18 that is served on the mortgagor: (A) A copy of the notice of the
19 availability of foreclosure mediation, in such form as the Chief Court
20 Administrator prescribes, and (B) a foreclosure mediation request form,
21 in such form as the Chief Court Administrator prescribes.

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

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

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

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

41 (6) Notwithstanding any provision of the general statutes or any rule
42 of law to the contrary, prior to July 1, 2023, no judgment of strict
43 foreclosure nor any judgment ordering a foreclosure sale shall be
44 entered in any action subject to the provisions of this subsection and
45 instituted by the mortgagee to foreclose a mortgage on residential real
46 property unless: (A) Notice to the mortgagor has been given by the
47 mortgagee in accordance with subdivision (1) of this subsection and the
48 time for submitting a foreclosure mediation request form has expired

49 and no foreclosure mediation request form has been submitted, or if
50 such notice has not been given, the time for submitting a foreclosure
51 mediation request form pursuant to subdivision (2) or (3) of this
52 subsection has expired and no foreclosure mediation request form has
53 been submitted, or (B) the mediation period set forth in subsection (b)
54 of section 49-31n, as amended by this act, has expired or has otherwise
55 terminated, whichever is earlier.

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

59 [(c) (1) Prior to July 1, 2023, when a] (a) Any mortgagee that
60 commences an action for the foreclosure of a mortgage on residential
61 real property with a return date on or after July 1, 2009, or, with respect
62 to real property owned by a religious organization, a return date on or
63 after October 1, 2011, [the mortgagee] shall give notice to the mortgagor
64 of the Ezequiel Santiago Foreclosure Mediation Program established
65 pursuant to section 49-31m by attaching to the front of the writ,
66 summons and complaint that is served on the mortgagor: [(A)] (1) A
67 copy of the notice of foreclosure mediation, in such form as the Chief
68 Court Administrator prescribes, [(B)] (2) a copy of the foreclosure
69 mediation certificate form described in [subdivision (3) of this]
70 subsection (c) of this section, in such form as the Chief Court
71 Administrator prescribes, [(C)] (3) a blank appearance form, in such
72 form as the Chief Court Administrator prescribes, [(D)] (4) with respect
73 to an action for the foreclosure of a mortgage on residential real property
74 with a return date on or after October 1, 2011, to September 30, 2013,
75 inclusive, a mediation information form and a notice containing contact
76 information for authority-approved consumer credit counseling
77 agencies, which form and notice shall be in such form as the Chief Court
78 Administrator prescribes, and which form shall be designed to elicit
79 current financial information and such other nonfinancial information
80 from the mortgagor as the Chief Court Administrator, in consultation
81 with representatives from the banking industry and consumer

82 advocates, determines will further the objectives of the mediation
83 program. The Chief Court Administrator shall develop a premediation
84 review protocol pursuant to which the mediator shall request that any
85 documents submitted to the mediator for initial review that are
86 incomplete, contain errors or are likely to be found unacceptable by the
87 mortgagee be completed or corrected and that the completed or
88 corrected documents be resubmitted to the mediator for review. Such
89 premediation review, including any recommendations to complete or
90 correct documents, shall not be construed to be the practice of law on
91 behalf of any party to the mediation or the provision of legal advice by
92 the mediator. The instructions to the mediation information form shall
93 explain that the completed mediation information form, along with
94 accompanying documentation reasonably requested from the
95 mortgagor by way of such instructions, shall be delivered to the
96 mortgagee's counsel not later than fifteen business days prior to the date
97 of the initial mediation session, as identified in the notice provided
98 pursuant to [subdivision (2) of subsection (c)] subsection (a) of section
99 49-31n, as amended by this act, and [(E)] (5) for an action to foreclose a
100 mortgage on residential real property with a return date on or after
101 October 1, 2013, the mediation information form shall instruct the
102 mortgagor as to the objectives of the mediation program, explain the
103 preliminary process of meeting with the mediator as described in
104 [subdivision (4) of this subsection] subsection (d) of this section, instruct
105 the mortgagor to begin gathering financial documentation commonly
106 used in foreclosure mediation for use in meeting with the mediator and
107 in mediation, and include a notice containing contact information for
108 authority-approved consumer counseling agencies, which shall be in
109 such form as the Chief Court Administrator prescribes. The content of
110 the mediation information form shall be designed by the Chief Court
111 Administrator in consultation with representatives from the banking
112 industry and consumer advocates.

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

116 date the mortgagee returns the writ to the court.

117 [(3)] (c) The notice of foreclosure mediation shall instruct the
118 mortgagor to file the appearance and foreclosure mediation certificate
119 forms with the court not later than the date fifteen days from the return
120 date for the foreclosure action. With respect to actions with a return date
121 during the period from October 1, 2011, to September 30, 2013, inclusive,
122 such notice shall remind the mortgagor to deliver the completed
123 mediation information form and the accompanying documentation
124 described in [subdivision (1)] subsection (a) of this [subsection] section
125 and encourage such delivery in advance of the required date. With
126 respect to actions with a return date [during the period from] on or after
127 October 1, 2013, [to June 30, 2023, inclusive,] such notice shall instruct
128 the mortgagor to begin gathering financial information commonly used
129 in foreclosure mediation for use in meeting with the mediator and in
130 mediation. The mediation information form and accompanying
131 documentation shall not, without the explicit written instruction of the
132 mortgagor, be publicly available. Such notice of foreclosure mediation
133 shall be accompanied by materials from the Department of Banking, as
134 prescribed by the Chief Court Administrator, which shall describe the
135 community-based resources available to the mortgagor, including
136 authority-approved housing counseling agencies that may assist with
137 preparation for mediation and application for mortgage assistance
138 programs. The foreclosure mediation certificate form shall require the
139 mortgagor to provide sufficient information to permit the court to
140 confirm that the defendant in the foreclosure action is a mortgagor, and
141 to certify that said mortgagor has sent a copy of the mediation certificate
142 form to the plaintiff in the action. With respect to actions with a return
143 date on or after October 1, 2015, in order to ensure that all necessary
144 consents to the disclosure of nonpublic personal financial information
145 have been provided to the mortgagee, such that a spouse may be
146 considered a permitted successor-in-interest, the court shall confirm
147 that the foreclosure mediation certificate submitted by [(A)] (1) the
148 spouse or former spouse provides consent to the full disclosure by the
149 mortgagee of such spouse's or former spouse's nonpublic personal

150 financial information to any other person who is obligated as a borrower
151 on the note, to the extent the mortgagee has such information, and [(B)]
152 (2) any other person who is a mortgagor provides consent to the full
153 disclosure by the mortgagee of such person's nonpublic personal
154 financial information to such spouse or former spouse, to the extent the
155 mortgagee has such information. If a foreclosure mediation certificate is
156 not submitted by a mortgagor, other than a spouse or former spouse
157 claiming to be a permitted successor-in-interest, the court shall confirm,
158 in lieu of the requirements of [subparagraph (B) of this subdivision]
159 subdivision (2) of this subsection, that the foreclosure mediation
160 certificate submitted by the spouse or former spouse contains a
161 statement, signed by the spouse or former spouse, certifying that all
162 persons who are obligated on the note have otherwise given
163 documentation to the mortgagee which allows for the full disclosure by
164 the mortgagee of such person's nonpublic personal information to the
165 spouse or former spouse, to the extent the mortgagee has such
166 information. Such a certification may be rebutted conclusively by the
167 mortgagee if the mortgagee submits a written statement to the court in
168 which the mortgagee certifies that, based upon reasonable belief, the
169 mortgagee does not possess such documentation.

170 [(4)] (d) Upon receipt of the mortgagor's appearance and foreclosure
171 mediation certificate forms, and provided the court confirms the
172 defendant in the foreclosure action is a mortgagor and that said
173 mortgagor has sent a copy of the mediation certificate form to the
174 plaintiff, the court shall assign the case to mediation and issue notice of
175 such assignment to all appearing parties, which notice shall include an
176 electronic mail address for all communications related to the mediation.
177 The court shall issue such notice not earlier than the date five business
178 days after the return date or by the date three business days after the
179 date on which the court receives the mortgagor's appearance and
180 foreclosure mediation certificate forms, whichever is later, except that if
181 the court does not receive the appearance and foreclosure mediation
182 certificate forms from the mortgagor by the date fifteen days after the
183 return date for the foreclosure action, the court shall not assign the case

184 to mediation. Promptly upon receipt of the notice of assignment, but not
185 later than the thirty-fifth day following the return date, the mortgagee
186 or its counsel shall deliver to the mediator, via the electronic mail
187 address provided for communications related to the mediation, and to
188 the mortgagor, via first class, priority or overnight mail, [(A)] (1) an
189 account history identifying all credits and debits assessed to the loan
190 account and any related escrow account in the immediately preceding
191 twelve-month period and an itemized statement of the amount required
192 to reinstate the mortgage loan with accompanying information, written
193 in plain language, to explain any codes used in the history and statement
194 which are not otherwise self-explanatory, [(B)] (2) the name, business
195 mailing address, electronic mail address, facsimile number and direct
196 telephone number of an individual able to respond with reasonable
197 adequacy and promptness to questions relative to the information
198 submitted to the mediator pursuant to this subdivision, and any
199 subsequent updates to such contact information, which shall be
200 provided reasonably promptly to the mediator via the electronic mail
201 address provided for communication related to the mediation, [(C)] (3)
202 current versions of all reasonably necessary forms and a list of all
203 documentation reasonably necessary for the mortgagee to evaluate the
204 mortgagor for common alternatives to foreclosure that are available
205 through the mortgagee, if any, [(D)] (4) a copy of the note and mortgage,
206 including any agreements modifying such documents, [(E)] (5)
207 summary information regarding the status of any pending foreclosure
208 avoidance efforts being undertaken by the mortgagee, [(F)] (6) a copy of
209 any loss mitigation affidavit filed with the court, [and (G)] (7) at the
210 mortgagee's option, [(i) the history of foreclosure avoidance efforts with
211 respect to the mortgagor, (ii)] (A) information regarding the condition
212 of mortgaged property, and [(iii)] (B) such other information as the
213 mortgagee may determine is relevant to meeting the objectives of the
214 mediation program, and (8) the history of foreclosure avoidance efforts
215 with respect to the mortgagor, including, without limitation, a
216 description of the efforts made by the mortgagee to provide the
217 mortgagor any loss mitigation option or foreclosure alternative,

218 including those required or made available pursuant to any order,
219 directive or regulation issued or any voluntary program announced by
220 any governmental authority in response to COVID-19 during the public
221 health and civil preparedness emergencies declared by the Governor on
222 March 10, 2020, or any extension of such declarations. For the purposes
223 of this subsection, "COVID-19" means the respiratory disease
224 designated by the World Health Organization on February 11, 2020, as
225 coronavirus 2019, and any related mutation thereof recognized by the
226 World Health Organization as a communicable respiratory disease.
227 Following the mediator's receipt of such information, the court shall
228 assign a mediator to the mediation and schedule a meeting with the
229 mediator and all mortgagors who are relevant and necessary to the
230 mediation and to any agreement being contemplated in connection with
231 the mediation and shall endeavor to hold such meeting on or prior to
232 the forty-ninth day following the return date. The notice of such meeting
233 shall instruct the mortgagor to complete the forms prior to the meeting
234 and to furnish such forms together with the documentation contained
235 in the list, as provided by the mortgagee following the filing of the
236 foreclosure mediation certificate, at the meeting. At such meeting, the
237 mediator shall review such forms and documentation with the
238 mortgagor, along with the information supplied by the mortgagee, in
239 order to discuss the options that may be available to the mortgagor,
240 including any community-based resources, and assist the mortgagor in
241 completing the forms and furnishing the documentation necessary for
242 the mortgagee to evaluate the mortgagor for alternatives to foreclosure.
243 The mediator may elect to schedule subsequent meetings with the
244 mortgagor and determine whether any mortgagor may be excused from
245 an in-person appearance at such subsequent meeting. The mediator may
246 excuse any mortgagor from attending such meeting or any subsequent
247 meetings, provided the mortgagor shows good cause for
248 nonattendance. Such good cause may include, but is not limited to, the
249 mortgagor no longer owning the home pursuant to a judgment of
250 marital dissolution and related transfer via deed, or no longer residing
251 in the home and not being a necessary party to any agreement being

252 contemplated in connection with the mediation. As soon as practicable,
253 but in no case later than the eighty-fourth day following the return date,
254 or the extended deadline if such an extended deadline is established
255 pursuant to this subdivision, the mediator shall facilitate and confirm
256 the submission by the mortgagor of the forms and documentation to the
257 mortgagee's counsel via electronic means and, at the mortgagee's
258 election, directly to the mortgagee per the mortgagee's instruction, and
259 determine, based on the participating mortgagor's attendance at the
260 meetings and the extent the mortgagor completed the forms and
261 furnished the documentation contemplated in this subdivision, or failed
262 to perform such tasks through no material fault of the mortgagee, and
263 file a report with the court indicating, [(I)] (A) whether mediation shall
264 be scheduled with the mortgagee, [(II)] (B) whether the mortgagor
265 attended scheduled meetings with the mediator, [(III)] (C) whether the
266 mortgagor fully or substantially completed the forms and furnished the
267 documentation requested by the mortgagee, [(IV)] (D) the date on which
268 the mortgagee supplied the forms and documentation, and [(V)] (E) any
269 other information the mediator determines to be relevant to the
270 objectives of the mediation program. The mediator may file, and the
271 court may grant, a motion for extension of the premediation period
272 beyond the eighty-fourth day following the return date if good cause
273 can be shown for such an extension. Any such motion shall be filed, with
274 a copy simultaneously sent to the mortgagee and as soon as practicable
275 to the mortgagor, not later than the eighty-fourth day following the
276 return date. The mortgagee and mortgagor shall each have five business
277 days from the day the motion was filed to file an objection or
278 supplemental papers, and the court shall issue its ruling, without a
279 hearing, not later than ten business days from the date the motion was
280 filed. If the court determines that good cause exists for an extension, the
281 court shall therewith establish an extended deadline so that the
282 premediation period shall end as soon thereafter as may be practicable,
283 but not later than thirty-five days from the date of the ruling, taking into
284 account the complexity of the mortgagor's financial circumstances, the
285 mortgagee's documentation requirements, and the timeliness of the

286 mortgagee's and mortgagor's compliance with their respective
287 premediation obligations. If the court denies the mediator's motion, the
288 extended deadline for purposes of this subdivision shall be three days
289 after the court rules on the motion. No meeting or communication
290 between the mediator and mortgagor under this subdivision shall be
291 treated as an impermissible ex parte communication. If the mediator
292 determines that the mortgagee shall participate in mediation, the court
293 shall promptly issue notice to all parties of such determination and
294 schedule a mediation session between the mortgagee and all
295 mortgagors who are relevant and necessary to the mediation and to any
296 agreement being contemplated in connection with the mediation, in
297 accordance with subsection [(c)] (a) of section 49-31n, as amended by
298 this act, to be held not later than five weeks following the submission to
299 the mortgagee of the forms and documentation contemplated in this
300 [subdivision] subsection. The mediator may excuse any mortgagor from
301 attending the mediation session or subsequent meetings, provided good
302 cause is shown for nonattendance. Such good cause may include, but is
303 not limited to, the mortgagor no longer owning the home pursuant to a
304 judgment of marital dissolution and related transfer via deed, no longer
305 residing in the home or not being a necessary party to any agreement
306 being contemplated in connection with the mediation. If the mediator
307 determines that no sessions between the mortgagee and mortgagor shall
308 be scheduled, the court shall promptly issue notice to all parties
309 regarding such determination and mediation shall be terminated. Any
310 mortgagor wishing to contest such determination shall petition the
311 court and show good cause for reinclusion in the mediation program,
312 including, but not limited to, a material change in financial
313 circumstances or a mistake or misunderstanding of the facts by the
314 mediator.

315 [(5)] (e) Notwithstanding the provisions of this [subsection] section,
316 the court may refer a foreclosure action brought by a mortgagee to the
317 Ezequiel Santiago Foreclosure Mediation Program established pursuant
318 to section 49-31m at any time, for good cause shown, provided the
319 mortgagor has filed an appearance in said action and further provided

320 the court shall, not later than the date three business days after the date
321 on which it makes such referral, send a notice to each appearing party
322 assigning the case to mediation and requiring the parties to participate
323 in the premediation process described in [subdivision (4) of this]
324 subsection (d) of this section, with the court establishing deadlines to
325 ensure that the premediation process is to be completed by the parties
326 as expeditiously as the circumstances warrant and permit. When
327 determining whether good cause exists, the court shall consider whether
328 the parties are likely to benefit from mediation and, in the case of a
329 referral after prior attempts at mediation have been terminated, whether
330 there has been a material change in circumstances.

331 [(6)] (f) Notwithstanding any provision of the general statutes or any
332 rule of law, [prior to July 1, 2023, (A)] (1) for the period of time which
333 shall not exceed eight months from the return date, the mortgagor shall
334 be permitted to file an answer, special defenses or counterclaims, but no
335 mortgagee or mortgagor shall make any motion, request or demand
336 with respect to the other, except those motions, requests or demands
337 that relate to the mediation program described in section 49-31m and
338 the mediation sessions held pursuant to such program, provided [(i)]
339 (A) a mortgagor seeking to contest the court's jurisdiction may file a
340 motion to dismiss and the mortgagee may object to such motion to
341 dismiss in accordance with applicable law and the rules of the courts,
342 and [(ii)] (B) if the mortgagor elects to make any other motion, request
343 or demand with respect to the mortgagee, the eight-month limit shall no
344 longer apply to either party; and [(B)] (2) no judgment of strict
345 foreclosure nor any judgment ordering a foreclosure sale shall be
346 entered in any action subject to the provisions of this subsection and
347 instituted by the mortgagee to foreclose a mortgage on residential real
348 property or real property owned by a religious organization unless: [(i)]
349 (A) The mediation period set forth in subsection [(c)] (a) of section 49-
350 31n, as amended by this act, has expired or has otherwise terminated,
351 whichever is earlier, and, if fewer than eight months has elapsed from
352 the return date at the time of termination, fifteen days have elapsed
353 since such termination and any pending motion or request to extend the

354 mediation period has been heard and denied by the court, or [(ii)] (B)
355 the mediation program is not otherwise required or available. Nothing
356 in this subdivision shall affect any motion made or any default or
357 judgment entered on or before June 30, 2011.

358 [(7)] (g) With respect to foreclosure actions with a return date [during
359 the period from] on or after July 1, 2011, [to June 30, 2023, inclusive,]
360 notwithstanding any provision of the general statutes or any rule of law
361 to the contrary, the mortgagee shall be permitted following the eight-
362 month or fifteen-day period described in [subdivision (6) of this]
363 subsection (f) of this section, to simultaneously file, as applicable, [(A)]
364 (1) a motion for default, and [(B)] (2) a motion for judgment of strict
365 foreclosure or a motion for judgment of foreclosure by sale with respect
366 to the mortgagor in the foreclosure action.

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

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

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

381 (b) (1) For any action for the foreclosure of a mortgage on residential
382 real property with a return date during the period from July 1, 2008, to
383 June 30, 2009, inclusive, the mediation period under the Ezequiel
384 Santiago Foreclosure Mediation Program established pursuant to

385 section 49-31m shall commence when the court sends notice to each
386 appearing party that a foreclosure mediation request form has been
387 submitted by a mortgagor to the court, which notice shall be sent not
388 later than three business days after the court receives a completed
389 foreclosure mediation request form. The mediation period shall
390 conclude not later than the conclusion of the third mediation session
391 between the mortgagor and mortgagee or seven months after the return
392 date, whichever is earlier, except that the court may, in its discretion, for
393 good cause shown, upon the motion of any party or the mediator,
394 extend the mediation period subject to the provisions of subdivision (9)
395 of this subsection or shorten the mediation period.

396 (2) The first mediation session shall be held not later than fifteen
397 business days after the court sends notice to all parties that a foreclosure
398 mediation request form has been submitted to the court. The mortgagor
399 and mortgagee shall appear in person at each mediation session and
400 shall have the ability to mediate, except that (A) if a party is represented
401 by counsel, the party's counsel may appear in lieu of the party to
402 represent the party's interests at the mediation, provided the party has
403 the ability to mediate, and the party is available (i) during the mediation
404 session by telephone, and (ii) to participate in the mediation session by
405 speakerphone, provided an opportunity is afforded for confidential
406 discussions between the party and party's counsel, (B) following the
407 initial mediation session, if there are two or more mortgagors who are
408 self-represented, only one mortgagor shall be required to appear in
409 person at each subsequent mediation session unless good cause is
410 shown, provided the other mortgagors are available (i) during the
411 mediation session, and (ii) to participate in the mediation session by
412 speakerphone, (C) if a party suffers from a disability or other significant
413 hardship that imposes an undue burden on such party to appear in
414 person, the mediator may grant permission to such party to participate
415 in the mediation session by telephone, and (D) a mortgagor may be
416 excused from appearing at the mediation session if good cause is shown
417 that the presence of such mortgagor is not needed to further the interests
418 of mediation. Such good cause may include, but is not limited to, the

419 mortgagor no longer owning the home pursuant to a judgment of
420 marital dissolution and related transfer via deed, no longer residing in
421 the home or not being a necessary party to any agreement being
422 contemplated in connection with the mediation. A mortgagor's spouse,
423 who is not a mortgagor but who lives in the subject property, may
424 appear at each mediation session, provided all appearing mortgagors
425 consent, in writing, to such spouse's appearance or such spouse shows
426 good cause for his or her appearance and the mortgagors consent in
427 writing to the disclosure of nonpublic personal information to such
428 spouse. If the mortgagor has submitted a complete package of financial
429 documentation in connection with a request for a particular foreclosure
430 alternative, the mortgagee shall have thirty-five days from the receipt of
431 the completed package to respond with a decision and, if the decision is
432 a denial of the request, provide the reasons for such denial. If the
433 mortgagor has, in connection with a request for a foreclosure
434 alternative, submitted a financial package that is not complete, or if the
435 mortgagee's evaluation of a complete package reveals that additional
436 information is necessary to underwrite the request, the mortgagee shall
437 request the missing or additional information within a reasonable
438 period of time of such evaluation. If the mortgagee's evaluation of a
439 complete package reveals that additional information is necessary to
440 underwrite the request, the thirty-five-day deadline for a response shall
441 be extended but only for so long as is reasonable given the timing of the
442 mortgagor's submission of such additional information and the nature
443 and context of the required underwriting. Not later than the third
444 business day after each mediation session held on or after June 18, 2013,
445 the mediator shall file with the court a report indicating, to the extent
446 applicable, (i) the extent to which each of the parties complied with the
447 requirements set forth in this subdivision, including the requirement to
448 engage in conduct that is consistent with the objectives of the mediation
449 program and to possess the ability to mediate, (ii) whether the
450 mortgagor submitted a complete package of financial documentation to
451 the mortgagee, (iii) a general description of the foreclosure alternative
452 being requested by the mortgagor, (iv) whether the mortgagor has

453 previously been evaluated for similar requests, whether prior to
454 mediation or in mediation, and, if so, whether there has been any
455 apparent change in circumstances since a decision was made with
456 respect to that prior evaluation, (v) whether the mortgagee has
457 responded to the mortgagor's request for a foreclosure alternative and,
458 if so, a description of the response and whether the mediator is aware of
459 any material reason not to agree with the response, (vi) whether the
460 mortgagor has responded to an offer made by the mortgagee on a
461 reasonably timely basis, and if so, an explanation of the response, (vii)
462 whether the mortgagee has requested additional information from the
463 mortgagor and, if so, the stated reasons for the request and the date by
464 which such additional information shall be submitted so that
465 information previously submitted by the mortgagor, to the extent
466 possible, may still be used by the mortgagee in conducting its review,
467 (viii) whether the mortgagor has supplied, on a reasonably timely basis,
468 any additional information that was reasonably requested by the
469 mortgagee, and, if not, the stated reason for not doing so, (ix) if
470 information provided by the mortgagor is no longer current for
471 purposes of evaluating a foreclosure alternative, a description of the
472 out-of-date information and an explanation as to how and why such
473 information is no longer current, (x) with respect to any foreclosure
474 action filed on the basis of a default by the mortgagor during (I) the
475 public health and civil preparedness emergencies declared by the
476 Governor on March 10, 2020, or any extension of such declarations, or
477 (II) the period of time that any order, directive or regulation issued or
478 any voluntary program announced by any governmental authority
479 related to COVID-19, as defined in subsection (d) of section 49-31l, as
480 amended by this act, is in effect, whether the mortgagee has, in good
481 faith, offered the mortgagor a loss mitigation option or alternative to
482 foreclosure related to COVID-19, (xi) whether the mortgagee has
483 provided a reasonable explanation of the basis for a decision to deny a
484 request for a loss mitigation option or foreclosure alternative and
485 whether the mediator is aware of any material reason not to agree with
486 that decision, [(xi)] (xii) whether the mortgagee has complied with the

487 time frames set forth in this subdivision for responding to requests for
488 decisions, [(xii)] (xiii) if a subsequent mediation session is expected to
489 occur, a general description of the expectations for such subsequent
490 session and for the parties prior to such subsequent session and, if not
491 otherwise addressed in the report, whether the parties satisfied the
492 expectations set forth in previous reports, and [(xiii)] (xiv) a
493 determination of whether the parties will benefit from further
494 mediation. The mediator shall deliver a copy of such report to each party
495 to the mediation when the mediator files the report. The parties shall
496 have the opportunity to submit their own supplemental information
497 following the filing of the report, provided such supplemental
498 information shall be submitted not later than five business days
499 following the receipt of the mediator's report. Any request by the
500 mortgagee to the mortgagor for additional or updated financial
501 documentation shall be made in writing. The court may impose
502 sanctions on any party or on counsel to a party if such party or such
503 counsel engages in intentional or a pattern or practice of conduct during
504 the mediation process that is contrary to the objectives of the mediation
505 program. Any sanction that is imposed shall be proportional to the
506 conduct and consistent with the objectives of the mediation program.
507 Available sanctions shall include, but not be limited to, terminating
508 mediation, ordering the mortgagor or mortgagee to mediate in person,
509 forbidding the mortgagee from charging the mortgagor for the
510 mortgagee's attorney's fees, awarding attorney's fees, and imposing
511 fines. In the case of egregious misconduct, the sanctions shall be
512 heightened. The court shall not award attorney's fees to any mortgagee
513 for time spent in any mediation session if the court finds that such
514 mortgagee has failed to comply with this subdivision, unless the court
515 finds reasonable cause for such failure.

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

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

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

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

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

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

545 (9) (A) The mediation period shall conclude following the third
546 mediation session or if more than seven months have elapsed since the
547 return date. Not later than fifteen days following the conclusion of the
548 mediation period, and any extended mediation sessions held in
549 accordance with this subdivision, any party may move for, or the
550 mediator may request, an extension of the mediation period. The court
551 shall grant only one additional mediation session per motion or request

552 upon a finding that it is highly probable the parties will reach an
553 agreement through mediation. The court may also grant one additional
554 mediation session per motion or request upon a finding that any party
555 has engaged, either intentionally or by a pattern or practice, in conduct
556 that is contrary to the objectives of the mediation program. The court
557 shall make its ruling not later than twenty days after the filing of such
558 motion or request, and no judgment of strict foreclosure or any
559 judgment ordering a foreclosure sale shall be entered until (i) the court
560 denies the motion or request, or (ii) the conclusion of the extended
561 mediation session, except as provided in subparagraph (B) of this
562 subdivision. Upon the grant of an additional mediation session
563 following the proper finding, the court shall establish an expeditious
564 deadline for such extended mediation session to occur. Such extended
565 mediation period shall conclude following such extended mediation
566 session.

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

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

582 (10) For any case pending as of October 1, 2013, in which mediation
583 is ongoing, (A) if three or fewer sessions have been held, such case shall

584 be treated as if no sessions have been held as of said date for purposes
585 of subdivision (9) of this subsection, and (B) if four or more sessions
586 have been held, then any party or the mediator may move to terminate
587 the mediation period or extend such period in accordance with
588 subdivision (9) of this subsection and, if no such motion to extend is
589 made, the mediation period shall conclude after the third mediation
590 session occurring after October 1, 2013.]

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

608 [(2)] (b) The mortgagor and mortgagee shall appear in person at each
609 mediation session and shall have the ability to mediate, except that [(A)]
610 (1) if a party is represented by counsel, the party's counsel may appear
611 in lieu of the party to represent the party's interests at the mediation,
612 provided the party has the ability to mediate and the party is available
613 [(i)] (A) during the mediation session by telephone, and [(ii)] (B) to
614 participate in the mediation session by speakerphone, provided an
615 opportunity is afforded for confidential discussions between the party
616 and party's counsel, [(B)] (2) following the initial mediation session, if

617 there are two or more mortgagors who are self-represented, only one
618 mortgagor shall be required to appear in person at each subsequent
619 mediation session unless good cause is shown, provided the other
620 mortgagors are available [(i)] (A) during the mediation session, and [(ii)]
621 (B) to participate in the mediation session by speakerphone, [(C)] (3) if a
622 party suffers from a disability or other significant hardship that imposes
623 an undue burden on such party to appear in person, the mediator may
624 grant permission to such party to participate in the mediation session
625 by telephone, and [(D)] (4) a mortgagor may be excused from appearing
626 at the mediation session if cause is shown that the presence of such
627 mortgagor is not needed to further the interests of mediation. Such
628 cause may include, but is not limited to, the mortgagor no longer
629 owning the home pursuant to a judgment of marital dissolution and
630 related transfer via deed or no longer residing in the home or not being
631 a necessary party to any agreement being contemplated in connection
632 with the mediation. A mortgagor's spouse, who is not a mortgagor but
633 who lives in the subject property, may appear at each mediation session,
634 provided all appearing mortgagors consent, in writing, to such spouse's
635 appearance or such spouse shows good cause for his or her appearance
636 and the mortgagors consent, in writing, to the disclosure of nonpublic
637 personal information to such spouse. If the mortgagor has submitted a
638 complete package of financial documentation in connection with a
639 request for a particular foreclosure alternative, the mortgagee shall have
640 thirty-five days from the receipt of the completed package to respond
641 with a decision and, if the decision is a denial of the request, provide the
642 reasons for such denial. If the mortgagor has, in connection with a
643 request for a foreclosure alternative, submitted a financial package that
644 is not complete, or if the mortgagee's evaluation of a complete package
645 reveals that additional information is necessary to underwrite the
646 request, the mortgagee shall request the missing or additional
647 information within a reasonable period of time of such evaluation. If the
648 mortgagee's evaluation of a complete package reveals that additional
649 information is necessary to underwrite the request, the thirty-five-day
650 deadline for a response shall be extended but only for so long as is

651 reasonable given the timing of the mortgagor's submission of such
652 additional information and the nature and context of the required
653 underwriting. Not later than the third business day after each mediation
654 session, the mediator shall file with the court a report indicating, to the
655 extent applicable, [(i)] (A) the extent to which each of the parties
656 complied with the requirements set forth in this subdivision, including
657 the requirement to engage in conduct that is consistent with the
658 objectives of the mediation program and to possess the ability to
659 mediate, [(ii)] (B) whether the mortgagor submitted a complete package
660 of financial documentation to the mortgagee, [(iii)] (C) a general
661 description of the foreclosure alternative being requested by the
662 mortgagor, [(iv)] (D) whether the mortgagor has previously been
663 evaluated for similar requests, whether prior to mediation or in
664 mediation, and, if so, whether there has been any apparent change in
665 circumstances since a decision was made with respect to that prior
666 evaluation, [(v)] (E) whether the mortgagee has responded to the
667 mortgagor's request for a foreclosure alternative and, if so, a description
668 of the response and whether the mediator is aware of any material
669 reason not to agree with the response, [(vi)] (F) whether the mortgagor
670 has responded to an offer made by the mortgagee on a reasonably timely
671 basis, and if so, an explanation of the response, [(vii)] (G) whether the
672 mortgagee has requested additional information from the mortgagor
673 and, if so, the stated reasons for the request and the date by which such
674 additional information shall be submitted so that information
675 previously submitted by the mortgagor, to the extent possible, may still
676 be used by the mortgagee in conducting its review, [(viii)] (H) whether
677 the mortgagor has supplied, on a reasonably timely basis, any
678 additional information that was reasonably requested by the mortgagee,
679 and, if not, the stated reason for not doing so, [(ix)] (I) if information
680 provided by the mortgagor is no longer current for purposes of
681 evaluating a foreclosure alternative, a description of the out-of-date
682 information and an explanation as to how and why such information is
683 no longer current, [(x)] (J) with respect to any foreclosure action filed on
684 the basis of a default by the mortgagor during (i) the public health and

685 civil preparedness emergencies declared by the Governor on March 10,
686 2020, or any extension of such declarations, or (ii) the period of time that
687 any order, directive or regulation issued, or any voluntary program
688 announced, by any governmental authority related to COVID-19, as
689 defined in subsection (d) of section 49-31l, as amended by this act, is in
690 effect, whether the mortgagee has, in good faith, offered the mortgagor
691 a loss mitigation option or alternative to foreclosure related to COVID-
692 19, (K) whether the mortgagee has provided a reasonable explanation of
693 the basis for a decision to deny a request for a loss mitigation option or
694 foreclosure alternative and whether the mediator is aware of any
695 material reason not to agree with that decision, [(xi)] (L) whether the
696 mortgagee has complied with the time frames set forth in this
697 subdivision for responding to requests for decisions, [(xii)] (M) if a
698 subsequent mediation session is expected to occur, a general description
699 of the expectations for such subsequent session and for the parties prior
700 to such subsequent session and, if not otherwise addressed in the report,
701 whether the parties satisfied the expectations set forth in previous
702 reports, and [(xiii)] (N) a determination of whether the parties will
703 benefit from further mediation. The mediator shall deliver a copy of
704 such report to each party to the mediation when the mediator files the
705 report. The parties shall have the opportunity to submit their own
706 supplemental information following the filing of the report, provided
707 such supplemental information shall be submitted not later than five
708 business days following the receipt of the mediator's report. Any
709 request by the mortgagee to the mortgagor for additional or updated
710 financial documentation shall be made in writing. The court may
711 impose sanctions on any party or on counsel to a party if such party or
712 such counsel engages in intentional or a pattern or practice of conduct
713 during the mediation process that is contrary to the objectives of the
714 mediation program. Any sanction that is imposed shall be proportional
715 to the conduct and consistent with the objectives of the mediation
716 program. Available sanctions shall include, but not be limited to,
717 terminating mediation, ordering the mortgagor or mortgagee to
718 mediate in person, forbidding the mortgagee from charging the

719 mortgagor for the mortgagee's attorney's fees, awarding attorney's fees,
720 and imposing fines. In the case of egregious misconduct, the sanctions
721 shall be heightened. The court shall not award attorney's fees to any
722 mortgagee for time spent in any mediation session if the court finds that
723 such mortgagee has failed to comply with this subdivision, unless the
724 court finds reasonable cause for such failure.

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

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

735 [(5)] (e) The Chief Court Administrator shall establish policies and
736 procedures to implement this [subsection] section. Such policies and
737 procedures shall, at a minimum, provide that the mediator shall advise
738 the mortgagor at the first meeting required by [subdivision (4) of
739 subsection (c)] subsection (d) of section 49-31l, as amended by this act,
740 that: [(A)] (1) Such mediation does not suspend the mortgagor's
741 obligation to respond to the foreclosure action beyond the limited time
742 frame described in [subdivision (6) of subsection (c)] subsection (f) of
743 section 49-31l, as amended by this act; and [(B)] (2) a judgment of strict
744 foreclosure or foreclosure by sale may cause the mortgagor to lose the
745 residential real property or real property owned by a religious
746 organization to foreclosure.

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

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

754 [(8)] ~~(g)~~ At any time during the mediation period, the mediator may
755 refer a mortgagor who is the owner-occupant of one-to-four family
756 residential real property to the mortgage assistance programs, except
757 that any such referral shall not prevent a mortgagee from proceeding to
758 judgment when the conditions specified in [subdivision (6) of
759 subsection (c)] ~~subsection (f)~~ of section 49-311, as amended by this act,
760 have been satisfied.

761 [(9) (A)] ~~(h)~~ (1) The mediation period shall conclude following the
762 third mediation session or if more than seven months have elapsed since
763 the return date. Not later than fifteen days following the conclusion of
764 the mediation period, and any subsequent extended mediation sessions
765 held in accordance with this subdivision, any party may move for, or
766 the mediator may request, an extension of the mediation period. The
767 court shall grant only one additional mediation session per motion or
768 request upon a finding that it is highly probable the parties will reach
769 an agreement through mediation. The court may also grant one
770 additional mediation session per motion or request upon a finding that
771 any party has engaged, either intentionally or by a pattern or practice,
772 in conduct that is contrary to the objectives of the mediation program.
773 The court shall make its ruling not later than twenty days after the filing
774 of such motion or request, and no judgment of strict foreclosure or any
775 judgment ordering a foreclosure sale shall be entered until [(i)] (A) the
776 court denies the motion or request, or [(ii)] (B) the conclusion of the
777 subsequent extended mediation session, except as provided in
778 [subparagraph (B) of this] subdivision (2) of this subsection. Upon the
779 grant of an additional mediation session following the proper finding,
780 the court shall establish a reasonably expeditious deadline for such
781 subsequent extended mediation session to occur. Such extended
782 mediation period shall conclude following such subsequent extended

783 mediation session.

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

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

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

810 [(d)] (1) Not later than February 14, 2014, the Chief Court
811 Administrator shall submit, in accordance with the provisions of section
812 11-4a, to the joint standing committee of the General Assembly having
813 cognizance of matters relating to banking, a summary regarding the
814 mediation program and a general summary of the data collected in the

815 reports submitted pursuant to subdivision (2) of subsections (b) and (c)
816 of this section from July 1, 2013, to December 31, 2013, inclusive. Such
817 summaries shall include, but not be limited to, the aggregate data
818 regarding the number of cases in mediation, the number of mediation
819 sessions held, the number of agreements reached before the conclusion
820 of the mediation period, the number of motions or requests for an
821 extension or continuance and the identity of the party that made such a
822 motion or request, whether the loan at issue was serviced by a third
823 party, the judicial district in which the mediation took place and
824 whether the mortgagor was self-represented.

825 (2) Not later than March 1, 2021, and March 1, 2023, the Chief Court
826 Administrator shall submit, in accordance with the provisions of section
827 11-4a, to the joint standing committee of the General Assembly having
828 cognizance of matters relating to banking, a summary of the reports
829 submitted from July 1, 2013, to December thirty-first of the immediately
830 preceding year, inclusive, pursuant to subdivision (2) of subsections (b)
831 and (c) of this section. The detailed data points for such summary,
832 including data to be collected but not reported, shall be developed by
833 the Chief Court Administrator in consultation with representatives from
834 the Governor's office, the Department of Banking, the banking industry
835 and consumer advocates.]

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

839 (8) "Ability to mediate" means an exhibition on the part of the
840 relevant person of a willingness, including a reasonable ability, to
841 participate in the mediation process in a manner consistent with the
842 objectives of the mediation program and in conformity with any
843 obligations imposed in accordance with [subdivision (2) of subsection
844 (b) or (c), as applicable, of] section 49-31n, as amended by this act,
845 including, but not limited to, a willingness and reasonable ability to
846 respond to questions and specify or estimate when particular decisions

847 will be made or particular information will be furnished and, with
848 respect to the mortgagee, a reasonable familiarity with the loan file, any
849 loss mitigation options that are available to the mortgagor and the
850 material issues raised in prior mediation sessions. Reasonable
851 familiarity with such material issues may be achieved by becoming
852 reasonably familiar with the mediator reports submitted in accordance
853 with [subdivision (4) of subsections (b) and (c)] subsection (d) of section
854 49-31n, as amended by this act, to the extent such reports are available;

855 (9) "Permitted successor-in-interest" means a person who is a
856 defendant in a foreclosure action with a return date on or after October
857 1, 2015, and either (A) the former spouse of a decedent-mortgagor, who
858 acquired sole title to the residential real property by virtue of a transfer
859 from the decedent-mortgagor's estate or by virtue of the death of the
860 decedent-mortgagor where title was held as joint tenants or tenants in
861 the entirety, or (B) the spouse or former spouse of a mortgagor or former
862 mortgagor who (i) acquired title to the residential real property by
863 virtue of a transfer from such mortgagor or former mortgagor where
864 such transfer resulted from a court decree dissolving the marriage, a
865 legal separation agreement or a property settlement agreement
866 incidental to such a decree or separation agreement, and (ii) ensures that
867 all necessary consents to the disclosure of nonpublic personal financial
868 information have been provided to the mortgagee in accordance with
869 [subdivision (3) of] subsection (c) of section 49-31l, as amended by this
870 act.

871 Sec. 4. Subsection (a) of section 49-31r of the general statutes is
872 repealed and the following is substituted in lieu thereof (*Effective October*
873 *1, 2021*):

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

879 8a, of an intent to accelerate the mortgage loan.

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

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

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

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

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

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

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

909 residential real property;

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

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

917 (6) "Housing expense" means the sum of the [mortgagor's]
918 homeowner's monthly maintenance expense in a common interest
919 community, utility expense, heating expense, hazard insurance
920 payment, taxes and required mortgage payment, including escrows;

921 (7) "Financial hardship due to circumstances beyond the
922 [mortgagor's] homeowner's control" means a significant reduction of
923 aggregate family household income or increase in expenses which
924 reasonably cannot be or could not have been alleviated by the
925 liquidation of assets by the [mortgagor] homeowner as determined by
926 the Connecticut Housing Finance Authority, including, but not limited
927 to, a reduction resulting from (A) (i) unemployment or
928 underemployment of one or more of the [mortgagors] homeowners; (ii)
929 a loss, reduction or delay in receipt of such federal, state or municipal
930 benefits as Social Security, supplemental security income, public
931 assistance and government pensions; (iii) a loss, reduction or delay in
932 receipt of such private benefits as pension, disability, annuity or
933 retirement benefits; (iv) divorce or a loss of support payments; (v)
934 disability, illness or death of a [mortgagor] homeowner; or (B) (i) a
935 significant increase in the dollar amount of the periodic payments
936 required by the [mortgage] homeowner; (ii) an unanticipated rise in
937 housing expenses; or (iii) expenses related to the disability, illness or
938 death of a member of the [mortgagor's] homeowner's family, but does
939 not include expenses related to the accumulation of credit or installment
940 debt incurred for recreational or nonessential items prior to the

941 occurrence of the alleged circumstances beyond the [mortgagor's]
942 homeowner's control in an amount that would have caused the
943 [mortgagor's] homeowner's total debt service to exceed sixty per cent of
944 aggregate family income at that time;

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

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

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

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

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

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

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

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

968 (a) Not later than January 1, 1994, the authority shall establish, within

969 available funds, a program to provide emergency mortgage assistance
970 payments to [mortgagors] homeowners who are mortgagors in
971 accordance with the provisions of sections 8-265cc to 8-265kk, inclusive,
972 as amended by this act. On and after July 1, 2021, the program shall,
973 within available funds, provide emergency lien assistance payments to
974 homeowners in accordance with the provisions of said sections. Any
975 necessary and related administrative and operational expenses incurred
976 by the authority in implementing the program may be paid from funds
977 made available for the program.

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

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

997 (a) On and after July 1, 2008, a mortgagee who desires to foreclose
998 upon a mortgage which satisfies the standards contained in
999 subdivisions (1), (9), (10) and (11) of subsection (e) of section 8-265ff, as
1000 amended by this act, shall give notice to [the mortgagor] each

1001 homeowner who is a mortgagor by registered, or certified mail, postage
1002 prepaid at the address of the property which is secured by the mortgage.
1003 No such mortgagee may commence a foreclosure of a mortgage prior to
1004 mailing such notice. Such notice shall advise the [mortgagor]
1005 homeowner of his delinquency or other default under the mortgage and
1006 shall state that the [mortgagor] homeowner has sixty days from the date
1007 of such notice in which to (1) have a face-to-face meeting, telephone or
1008 other conference acceptable to the authority with the mortgagee or a
1009 face-to-face meeting with a consumer credit counseling agency to
1010 attempt to resolve the delinquency or default by restructuring the loan
1011 payment schedule or otherwise, and (2) contact the authority, at an
1012 address and phone number contained in the notice, to obtain
1013 information and apply for emergency mortgage assistance payments if
1014 the [mortgagor] homeowner and mortgagee are unable to resolve the
1015 delinquency or default.

1016 (b) Except in cases in which the mortgagee refuses to meet with the
1017 [mortgagor] homeowner, if the [mortgagor] homeowner fails to meet
1018 with the mortgagee or comply with any of the time limitations specified
1019 in the notice as provided in subsection (a) of this section, or if the
1020 [mortgagor's] homeowner's application is not filed by the date thirty
1021 days after the date of any default in payment under an agreement as
1022 provided in subsection (c) of this section or if the [mortgagor's]
1023 homeowner's application for emergency mortgage assistance payments
1024 is not approved by the date thirty calendar days after the date of receipt
1025 of the [mortgagor's] homeowner's application in accordance with the
1026 provisions of section 8-265ff, as amended by this act, the foreclosure of
1027 the [mortgagor's] homeowner's mortgage may, at any time thereafter,
1028 except as provided in subsection (e) of this section, continue without any
1029 further restriction or requirement under the provisions of sections 8-
1030 265cc to 8-265kk, inclusive, as amended by this act, provided the
1031 mortgagee files an affidavit with the court stating the notice provisions
1032 of subsection (a) of this section have been complied with and that either
1033 the [mortgagor] homeowner failed to meet with the mortgagee or failed
1034 to comply with all of the time limitations specified in the notice as

1035 provided in subsection (a) of this section or that the [mortgagor's]
1036 homeowner's application for emergency assistance payments was not
1037 approved by the date thirty calendar days after the date of receipt of the
1038 [mortgagor's] homeowner's application, or that a determination of
1039 ineligibility was made.

1040 (c) If, after a face-to-face meeting, telephone or other conference
1041 acceptable to the authority, as provided in subsection (a) of this section,
1042 the [mortgagor] homeowner and the mortgagee reach an agreement to
1043 resolve the delinquency or default and, because of financial hardship
1044 due to circumstances beyond the [mortgagor's] homeowner's control,
1045 the [mortgagor] homeowner is unable to fulfill the obligations of the
1046 agreement, the [mortgagor] homeowner may apply to the authority for
1047 emergency mortgage assistance payments under sections 8-265cc to 8-
1048 265kk, inclusive, as amended by this act, by the date thirty days after the
1049 date of any default in payment under the agreement. The mortgagee
1050 shall not be required to send any additional notice to the [mortgagor]
1051 homeowner other than the notice required under subsection (a) of this
1052 section.

1053 (d) Nothing in sections 8-265cc to 8-265kk, inclusive, as amended by
1054 this act, shall prevent a [mortgagor] homeowner from exercising rights
1055 that may exist under the foreclosure mediation program and those
1056 rights may be exercised concurrently with the rights afforded under
1057 sections 8-265cc to 8-265kk, inclusive, as amended by this act, provided
1058 the exercise of rights under the foreclosure mediation program shall not
1059 cause a delay in the determination under subsection (e) of section 8-
1060 265ff, as amended by this act. Nothing in sections 8-265cc to 8-265kk,
1061 inclusive, as amended by this act, shall prevent a [mortgagor]
1062 homeowner from applying or reapplying and being considered for
1063 emergency mortgage assistance if such [mortgagor] homeowner is
1064 referred to the emergency mortgage assistance program by the
1065 foreclosure mediation program.

1066 Sec. 9. Section 8-265ff of the general statutes is repealed and the

1067 following is substituted in lieu thereof (*Effective October 1, 2021*):

1068 (a) (1) Any [mortgagor] homeowner who is a mortgagor may apply
1069 for emergency mortgage assistance payments under sections 8-265cc to
1070 8-265kk, inclusive, as amended by this act, if [such mortgagor (1)] (A)
1071 such homeowner (i) has received notice of intent to foreclose as
1072 provided in section 8-265ee, as amended by this act, [or (2) (A)] (ii) is
1073 sixty days or more delinquent on a mortgage, or [(B) such mortgagor]
1074 (iii) anticipates that he or she will be sixty days or more delinquent on a
1075 mortgage based on financial hardship beyond such [mortgagor's]
1076 homeowner's control, provided the authority determines that such
1077 [mortgagor] homeowner will be so delinquent, or (B) the homeowner's
1078 mortgage is in forbearance.

1079 (2) Any homeowner may apply for emergency lien assistance
1080 payments under sections 8-265cc to 8-265kk, inclusive, as amended by
1081 this act, if such homeowner (A) has received notice of the lienholder's
1082 intent to foreclose the lien, (B) is sixty days or more delinquent on the
1083 debt secured by a lien, or (C) anticipates that he or she will be sixty days
1084 or more delinquent on the debt secured by a lien based on financial
1085 hardship beyond such homeowner's control, provided the authority
1086 determines that such homeowner will be so delinquent.

1087 (3) As part of the application process, the authority may refer the
1088 applicant to a counseling agency approved by the United States
1089 Department of Housing and Urban Development.

1090 (b) If the [mortgagor] homeowner applies for emergency mortgage or
1091 lien assistance payments under sections 8-265cc to 8-265kk, inclusive, as
1092 amended by this act, the authority shall, no later than eight business
1093 days after the date of receipt of such application, notify all of the
1094 mortgagees and lienholders listed on the application holding a
1095 mortgage or lien on the [mortgagor's] homeowner's real property.

1096 (c) The [mortgagor] homeowner shall apply for a loan on the form
1097 provided by the authority. The [mortgagor] homeowner shall complete

1098 and sign the application subject to the penalty for false statement under
1099 section 53a-157b.

1100 (d) The [mortgagor] homeowner shall provide the authority with full
1101 disclosure of all assets and liabilities, whether singly or jointly held, and
1102 all household income regardless of source. For purposes of this
1103 subsection, both of the following are included as assets:

1104 (1) The sum of the household's savings and checking accounts,
1105 market value of stocks, bonds and other securities, other capital
1106 investments, pensions and retirement funds valued in an amount
1107 greater than one hundred thousand dollars, personal property and
1108 equity in real property including the subject mortgage or lien property.
1109 Income derived from family assets shall be considered as income. Equity
1110 is the difference between the market value of the property and the total
1111 outstanding principal of any loans secured by the property and other
1112 liens.

1113 (2) Lump-sum additions to family assets such as inheritances, capital
1114 gains, insurance payments included under health, accident, hazard or
1115 workers' compensation policies and settlements, verdicts or awards for
1116 personal or property losses or transfer of assets without consideration
1117 within one year of the time of application. Pending claims for such items
1118 must be identified by the homeowner as contingent assets.

1119 (e) The authority shall make a determination of eligibility for
1120 emergency mortgage or lien assistance payments by the date thirty
1121 calendar days after the date [of receipt of the mortgagor's] the
1122 homeowner's application is received by the authority. During said
1123 thirty-day period no judgment of strict foreclosure or any judgment
1124 ordering foreclosure by sale shall be entered in any action for the
1125 foreclosure of any mortgage or lien any mortgagee or lienholder holds
1126 on the [mortgagor's] homeowner's real property, except that such
1127 prohibition on the entry of judgment shall not apply to a foreclosure
1128 action commenced by a lienholder. No emergency mortgage or lien
1129 assistance payments may be provided unless the authority finds that:

1130 (1) The real property securing the mortgage [is a one-to-four family
1131 owner-occupied residence, including, but not limited to, a single family
1132 unit in a common interest community,] or underlying the lien is
1133 residential real property that is the principal residence of the [mortgagor
1134 and is located in this state] homeowner;

1135 (2) Payments, including amounts for taxes and insurance payments,
1136 including mortgage insurance, or for charges, assessments and fees
1137 associated with a condominium or common interest community, as such
1138 terms are defined in section 47-202, or any combination of such
1139 payments, whether or not such payments are made into escrow or
1140 impound accounts as reserves, owed by the [mortgagor] homeowner
1141 under any mortgage or lien on such real property have been delinquent
1142 and the mortgagee, taxing authority, [or] unit owners association or
1143 lienholder has indicated to the [mortgagor] homeowner its intention to
1144 foreclose;

1145 (3) The [mortgagor] homeowner is a resident of this state and is
1146 suffering financial hardship which renders the [mortgagor] homeowner
1147 unable to correct the delinquency or delinquencies within a reasonable
1148 time and make full mortgage payments or payments on the debt secured
1149 by the lien. For the purposes of subdivision (7) of this subsection, in
1150 order to determine whether the financial hardship is due to
1151 circumstances beyond the [mortgagor's] homeowner's control, the
1152 authority may consider information regarding the [mortgagor's]
1153 homeowner's employment, credit history and current and past
1154 household income, assets, total debt service, net worth, eligibility for
1155 other types of assistance and any other criteria or related factors it deems
1156 necessary and relevant;

1157 (4) There is a reasonable prospect that [the mortgagor] (A) a
1158 homeowner who applies for emergency mortgage assistance payments
1159 will be able to resume full mortgage payments on the original, modified
1160 or refinanced mortgage within sixty months after the beginning of the
1161 period in which emergency mortgage assistance payments are provided

1162 in accordance with a written plan formulated or approved by the
1163 authority and pay the mortgage in full in level monthly payments of
1164 principal and interest, subject only to payment changes as provided in
1165 the mortgage, by its maturity date, and (B) a homeowner who applies
1166 for emergency lien assistance payments will be able to resume regular
1167 payments to the lienholder for the tax, water, assessment or usage
1168 charges underlying the lien after payment by the authority of
1169 emergency lien assistance payments;

1170 (5) The [mortgagor] homeowner has applied to the authority for
1171 emergency mortgage or lien assistance payments on an application form
1172 prescribed by the authority which includes a financial statement
1173 disclosing all assets and liabilities of the [mortgagor] homeowner,
1174 whether singly or jointly held, and all household income regardless of
1175 source;

1176 (6) Based on the financial statement, the [mortgagor] homeowner has
1177 insufficient household income or net worth to correct the delinquency
1178 or delinquencies within a reasonable period of time and make full
1179 mortgage payments or regular payments to the lienholder for the tax,
1180 water, assessment or usage charges underlying the lien;

1181 (7) There is a reasonable prospect that the [mortgagor] homeowner,
1182 as determined by the authority, will be able to repay the emergency
1183 mortgage or lien assistance within a reasonable amount of time under
1184 the terms of section 8-265hh, as amended by this act, including through
1185 a refinancing of the mortgage, and the authority finds that, except for
1186 the current delinquency, [the mortgagor] any homeowner who is a
1187 mortgagor has had a favorable residential mortgage credit history for
1188 the previous two years or period of ownership, whichever is less. For
1189 the purposes of this subdivision, if a [mortgagor] homeowner has been
1190 more than thirty days in arrears four or more times on a residential
1191 mortgage within the previous year, the [mortgagor] homeowner shall
1192 be ineligible for emergency mortgage assistance payments unless the
1193 [mortgagor] homeowner can demonstrate that the prior delinquency

1194 was the result of financial hardship due to circumstances beyond the
1195 [mortgagor's] homeowner's control. In making a determination under
1196 this subsection, the authority may consider information regarding the
1197 structure of the mortgage, its repayment schedule, the length of time the
1198 [mortgagor] homeowner has lived in his or her home, and any other
1199 relevant factors or criteria it deems appropriate;

1200 (8) The mortgagee or lienholder is not otherwise prevented by law
1201 from foreclosing upon the mortgage;

1202 (9) The [mortgagor] homeowner has not mortgaged the real property
1203 for commercial or business purposes;

1204 (10) The [mortgagor] homeowner has not previously received
1205 emergency mortgage or lien assistance payments from the authority,
1206 provided a [mortgagor] homeowner who has previously received such
1207 payments shall be eligible to reapply if the [mortgagor] homeowner has
1208 reinstated the mortgage or the debt underlying the lien and the
1209 [mortgagor] homeowner shall not have been delinquent for at least six
1210 consecutive months immediately following such reinstatement;

1211 (11) The [mortgagor] homeowner is not in default under the
1212 mortgage except for the monetary delinquency referred to in
1213 subdivision (2) of this subsection; and

1214 (12) The [mortgagor] homeowner meets such other procedural
1215 requirements as the authority may establish, provided the authority
1216 shall not prohibit a homeowner from participating in the program solely
1217 on the basis that the homeowner received a discharge of debt through a
1218 bankruptcy filing and did not reaffirm such debt.

1219 Sec. 10. Section 8-265gg of the general statutes is repealed and the
1220 following is substituted in lieu thereof (*Effective October 1, 2021*):

1221 (a) If the authority approves a [mortgagor] homeowner for mortgage
1222 assistance under the provisions of section 8-265ff, as amended by this
1223 act, the authority shall make monthly emergency mortgage assistance

1224 payments directly to each mortgagee secured by the [mortgagor's]
1225 homeowner's real property for a period not to exceed sixty months,
1226 either consecutively or nonconsecutively, except no such payments shall
1227 be made after sixty months have passed since the date of the initial
1228 payment. The total monthly payment made by the authority, to or on
1229 behalf of a [mortgagor] homeowner under subsection (c) of this section,
1230 shall be not more than twenty-eight per cent of one hundred forty per
1231 cent of annual area median income, as published by the United States
1232 Department of Housing and Urban Development, divided by twelve.
1233 Upon receipt of payment in full from a [mortgagor] homeowner of the
1234 monthly amount established under subsection (b) of this section, the
1235 authority shall pay to each mortgagee the full amount then due to the
1236 mortgagee pursuant to the terms of the mortgage without regard to any
1237 acceleration under the mortgage. Such payments shall include, but not
1238 be limited to, principal, interest, taxes, assessments and insurance
1239 premiums. The initial payment made by the authority to each
1240 mortgagee may be an amount which pays all arrearages and pays
1241 reasonable costs and reasonable attorney's fees incurred by the
1242 mortgagee in connection with foreclosure of the mortgage.

1243 (b) A [mortgagor] homeowner on whose behalf the authority is
1244 making emergency mortgage assistance payments shall, during the
1245 period in which such assistance is provided, make monthly payments
1246 to the authority in lieu of the [mortgagor's] homeowner's monthly
1247 mortgage payments. Such payments to the authority shall be in an
1248 amount which will cause the [mortgagor's] homeowner's total housing
1249 expense to be less than or equal to thirty-five per cent of the
1250 [mortgagor's] homeowner's aggregate family income. The [mortgagor]
1251 homeowner shall make such payments to the authority not later than
1252 seven days before each mortgage payment is due to the mortgagee.

1253 (c) The amount by which the emergency mortgage assistance
1254 payments made by the authority to the mortgagee exceeds the payments
1255 made by the [mortgagor] homeowner to the authority shall be a loan in
1256 that amount made by the authority to the [mortgagor] homeowner. Any

1257 such loan shall be evidenced by such documents as the authority may
1258 require and shall be subject to repayment with interest and secured as
1259 provided in section 8-265hh, as amended by this act.

1260 (d) The authority shall establish procedures for periodic review of the
1261 [mortgagor's] homeowner's financial circumstances for the purpose of
1262 determining the necessity for continuation, termination or adjustment
1263 of the amount of emergency mortgage assistance payments or
1264 adjustment of the payments by the [mortgagor] homeowner pursuant
1265 to subsection (b) of this section. Payments shall be discontinued when
1266 the authority determines that, due to changes in the [mortgagor's]
1267 homeowner's financial condition, the payments are no longer necessary
1268 in accordance with the standards contained in section 8-265ff, as
1269 amended by this act, or the [expiration of the] sixty-month period of [a
1270 mortgagor] eligibility for such payments under subsection (e) of section
1271 8-265ff, as amended by this act, has expired, whichever is sooner, and a
1272 foreclosure of the [mortgagor's] homeowner's mortgage may, at any
1273 time thereafter, proceed without further restriction or requirement
1274 under sections 8-265cc to 8-265hh, inclusive, as amended by this act. The
1275 authority may adjust payments by the [mortgagor] homeowner
1276 pursuant to subsection (b) of this section based on a review under this
1277 subsection.

1278 (e) If the [mortgagor] homeowner fails to pay to the authority any
1279 amounts due under subsection (b) of this section within seven days of
1280 the date due to the authority, the authority shall review the
1281 [mortgagor's] homeowner's financial circumstances to determine
1282 whether the delinquency is the result of additional financial hardship
1283 due to circumstances beyond the [mortgagor's] homeowner's control. If
1284 the delinquency is not the result of additional financial hardship due to
1285 circumstances beyond the [mortgagor's] homeowner's control in the
1286 [mortgagor's] homeowner's financial circumstances, the authority shall
1287 terminate emergency mortgage assistance payments and the foreclosure
1288 of the [mortgagor's] homeowner's mortgage may, at [anytime] any time
1289 thereafter, continue without any further restriction or requirement

1290 under sections 8-265cc to 8-265kk, inclusive, as amended by this act. If
1291 the delinquency is the result of a change in the [mortgagor's]
1292 homeowner's financial circumstances, the authority may modify the
1293 [mortgagor's] homeowner's required monthly payments to the
1294 authority.

1295 (f) If any mortgagee scheduled to receive payments from the
1296 authority under the provisions of sections 8-265cc to 8-265kk, inclusive,
1297 as amended by this act, fails to receive the full amount of such payment
1298 from the authority within thirty days of the scheduled due date, or if the
1299 [mortgagor] homeowner fails to observe and perform all of the terms,
1300 covenants and conditions of the mortgage, the mortgagee shall provide
1301 a fifteen-day notice to the authority and the foreclosure of the
1302 [mortgagor's] homeowner's mortgage may, at any time thereafter,
1303 proceed without any further restriction or requirement under sections
1304 8-265cc to 8-265kk, inclusive, as amended by this act.

1305 Sec. 11. (NEW) (*Effective October 1, 2021*) (a) If the authority approves
1306 a homeowner for emergency lien assistance under the provisions of
1307 section 8-265ff of the general statutes, as amended by this act, the
1308 authority shall make emergency lien assistance payments directly to
1309 each lienholder secured by the homeowner's real property for the full
1310 amount due and payable to the lienholder under the lien. Such payment
1311 may be in an amount which pays all arrearages and pays reasonable
1312 costs and reasonable attorney's fees incurred by the lienholder in
1313 connection with the foreclosure of the lien.

1314 (b) The amount of the emergency lien assistance payments made by
1315 the authority to the lienholder shall be a loan in that amount made by
1316 the authority to the homeowner. Any such loan shall be evidenced by
1317 such documents as the authority may require and shall be subject to
1318 repayment with interest and secured as provided in section 8-265hh of
1319 the general statutes, as amended by this act.

1320 (c) If any lienholder scheduled to receive payments from the
1321 authority under the provisions of sections 8-265cc to 8-265kk, inclusive,

1322 of the general statutes, as amended by this act, fails to receive the full
1323 amount of such payment from the authority within thirty days of the
1324 scheduled due date, or if the homeowner fails to observe and perform
1325 all of the terms, covenants and conditions of lien, the lienholder shall
1326 provide a fifteen-day notice to the authority and the foreclosure of the
1327 lien may, at any time thereafter, proceed without any further restriction
1328 or requirement under sections 8-265cc to 8-265kk, inclusive, of the
1329 general statutes, as amended by this act.

1330 Sec. 12. Section 8-265hh of the general statutes is repealed and the
1331 following is substituted in lieu thereof (*Effective October 1, 2021*):

1332 (a) Upon approval of emergency mortgage or lien assistance
1333 payments, the authority shall enter into an agreement with the
1334 [mortgagor] homeowner for repayment of all such assistance with
1335 interest as provided in this section. The agreement shall provide for
1336 monthly payments by the [mortgagor] homeowner after emergency
1337 mortgage or lien assistance payments have ended and shall be subject
1338 to the following provisions:

1339 (1) If the [mortgagor's] homeowner's total housing expense,
1340 including projected repayments for [mortgage] assistance under this
1341 section, is greater than thirty-five per cent of the [mortgagor's]
1342 homeowner's aggregate family income, repayment of the emergency
1343 mortgage or lien assistance payments shall be deferred until such total
1344 housing expense, including projected repayments for [mortgage]
1345 assistance under this section, is less than or equal to thirty-five per cent
1346 of such aggregate family income;

1347 (2) If repayment of emergency mortgage or lien assistance payments
1348 is not made by the date the mortgage is paid in full, the [mortgagor]
1349 homeowner shall make monthly payments to the authority in an
1350 amount not less than the monthly mortgage payment until such
1351 assistance is repaid;

1352 (3) Interest shall accrue on all emergency mortgage and lien

1353 assistance payments made by the authority at a rate based upon the cost
1354 of funds to the state periodically determined by the State Treasurer in
1355 consultation with the authority. Interest shall start to accrue whenever
1356 the [mortgagor] homeowner is required to commence repayment under
1357 this section.

1358 (b) Repayment of amounts owed to the authority from a [mortgagor]
1359 homeowner under the provisions of sections 8-265cc to 8-265kk,
1360 inclusive, as amended by this act, shall be secured by a mortgage on the
1361 [mortgagor's] homeowner's real property, provided said mortgage shall
1362 not be deemed to take priority over any other mortgage or lien in effect
1363 against such property on the date the emergency mortgage is recorded.
1364 The authority may allow subordination of its mortgage if such
1365 subordination is required to permit the [mortgagor] homeowner to
1366 obtain a home improvement loan for repairs necessary to preserve the
1367 property.

1368 (c) The authority shall establish written procedures for periodic
1369 review of the [mortgagor's] homeowner's financial circumstances to
1370 determine the amounts of repayment required under this section.

1371 (d) All moneys received by the authority from [mortgagors]
1372 homeowners for repayment of emergency mortgage or lien assistance
1373 payments shall be paid to the authority, deposited in such funds or
1374 accounts as the authority may establish from time to time for such
1375 purpose and be used solely for the purposes of the program established
1376 pursuant to sections 8-265cc to 8-265kk, inclusive, as amended by this
1377 act.

1378 (e) Any [mortgagor] homeowner who misrepresents any financial or
1379 other pertinent information in conjunction with the filing of an
1380 application for emergency mortgage or lien assistance or modification
1381 of such assistance, may be denied assistance and required to
1382 immediately repay any amount of assistance already made. The
1383 mortgagee or lienholder may, at any time thereafter, take any legal
1384 action to enforce the mortgage or lien without further restrictions or

1385 requirements.

1386 (f) The authority may take any action it deems appropriate to recover
1387 emergency mortgage or lien assistance when the [mortgagor]
1388 homeowner fails to repay such assistance under the terms and
1389 conditions established under this section.

1390 Sec. 13. Section 8-265ii of the general statutes is repealed and the
1391 following is substituted in lieu thereof (*Effective October 1, 2021*):

1392 The Connecticut Housing Finance Authority shall adopt procedures
1393 in accordance with section 1-121 to implement the provisions of sections
1394 8-265cc to 8-265hh, inclusive, as amended by this act. Such procedures
1395 shall include the establishment of a process for notification to eligible
1396 [mortgagors] homeowners of the availability of funds under sections 8-
1397 265cc to 8-265kk, inclusive, as amended by this act, and for notification
1398 to the mortgagee or lienholder that an application has been received by
1399 or on behalf of the [mortgagor] homeowner and of the authority's
1400 determination of eligibility.

1401 Sec. 14. Section 8-265kk of the general statutes is repealed and the
1402 following is substituted in lieu thereof (*Effective October 1, 2021*):

1403 (a) If the authority determines that additional funding sources are
1404 necessary to provide emergency mortgage or lien assistance payments
1405 to homeowners in accordance with sections 8-265cc to 8-265kk,
1406 inclusive, as amended by this act, the authority may, in consultation
1407 with the State Treasurer, the Comptroller, representatives from
1408 Connecticut-based banks and a state banking industry association,
1409 establish as part of the emergency mortgage and lien assistance program
1410 a component program that shall be operated by the authority in
1411 collaboration with Connecticut-based banks and that may include, but
1412 need not be limited to, loan guarantees. Any loan issued under such
1413 component program shall be used for the purposes described in sections
1414 8-265cc to 8-265kk, inclusive, as amended by this act. The authority shall
1415 notify the State Treasurer of the authority's intention to establish a

1416 component program prior to establishing such program and the State
1417 Treasurer shall (1) advise the authority as to the state's ability to provide
1418 loan guarantees under such program, and (2) recommend guidelines for
1419 such guarantees. For purposes of this subsection, "Connecticut-based
1420 banks" means banks and out-of-state banks, each as defined in section
1421 36a-2, having deposit-taking branches in the state.

1422 (b) If funds are not available to provide emergency mortgage or lien
1423 assistance payments to [mortgagors] homeowners in accordance with
1424 sections 8-265cc to 8-265kk, inclusive, as amended by this act, the
1425 authority shall notify all mortgagees and lienholders and shall not
1426 accept applications for emergency mortgage or lien assistance payment.
1427 Upon receipt of such notice from the authority and until mortgagees and
1428 lienholders receive a further notice from the authority that such funds
1429 are again available and applications for [emergency mortgage] such
1430 assistance payments are again being accepted by the authority: (1)
1431 Mortgagees may commence foreclosure actions without first providing
1432 the notice set forth in subsection (a) of section 8-265ee, as amended by
1433 this act; and (2) the foreclosure of mortgages and liens by mortgagees or
1434 lienholders may continue without any further restriction or requirement
1435 under the provisions of sections 8-265cc to 8-265kk, inclusive, as
1436 amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	49-31l
Sec. 2	<i>October 1, 2021</i>	49-31n
Sec. 3	<i>October 1, 2021</i>	49-31k(8) and (9)
Sec. 4	<i>October 1, 2021</i>	49-31r(a)
Sec. 5	<i>October 1, 2021</i>	49-31v
Sec. 6	<i>October 1, 2021</i>	8-265cc
Sec. 7	<i>October 1, 2021</i>	8-265dd
Sec. 8	<i>October 1, 2021</i>	8-265ee
Sec. 9	<i>October 1, 2021</i>	8-265ff
Sec. 10	<i>October 1, 2021</i>	8-265gg
Sec. 11	<i>October 1, 2021</i>	New section

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Sec. 12	<i>October 1, 2021</i>	8-265hh
Sec. 13	<i>October 1, 2021</i>	8-265ii
Sec. 14	<i>October 1, 2021</i>	8-265kk