



General Assembly

Amendment

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LCO No. 8418



Offered by:

SEN. KASSER, 36th Dist.

REP. DOUCETTE, 13th Dist.

To: Subst. Senate Bill No. 891

File No. 248

Cal. No. 173

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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 Section 49-311 of the general statutes is repealed and the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

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

14 (b) (1) Prior to July 1, 2023, when a mortgagee commences an action

15 for the foreclosure of a mortgage on residential real property with a
16 return date during the period from July 1, 2008, to June 30, 2009,
17 inclusive, the mortgagee shall give notice to the mortgagor of the
18 Ezequiel Santiago Foreclosure Mediation Program established pursuant
19 to section 49-31m by attaching to the front of the foreclosure complaint
20 that is served on the mortgagor: (A) A copy of the notice of the
21 availability of foreclosure mediation, in such form as the Chief Court
22 Administrator prescribes, and (B) a foreclosure mediation request form,
23 in such form as the Chief Court Administrator prescribes.

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

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

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

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

43 (6) Notwithstanding any provision of the general statutes or any rule
44 of law to the contrary, prior to July 1, 2023, no judgment of strict
45 foreclosure nor any judgment ordering a foreclosure sale shall be
46 entered in any action subject to the provisions of this subsection and

47 instituted by the mortgagee to foreclose a mortgage on residential real
48 property unless: (A) Notice to the mortgagor has been given by the
49 mortgagee in accordance with subdivision (1) of this subsection and the
50 time for submitting a foreclosure mediation request form has expired
51 and no foreclosure mediation request form has been submitted, or if
52 such notice has not been given, the time for submitting a foreclosure
53 mediation request form pursuant to subdivision (2) or (3) of this
54 subsection has expired and no foreclosure mediation request form has
55 been submitted, or (B) the mediation period set forth in subsection (b)
56 of section 49-31n has expired or has otherwise terminated, whichever is
57 earlier.

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

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

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

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

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

149 that the foreclosure mediation certificate submitted by [(A)] (1) the
150 spouse or former spouse provides consent to the full disclosure by the
151 mortgagee of such spouse's or former spouse's nonpublic personal
152 financial information to any other person who is obligated as a borrower
153 on the note, to the extent the mortgagee has such information, and [(B)]
154 (2) any other person who is a mortgagor provides consent to the full
155 disclosure by the mortgagee of such person's nonpublic personal
156 financial information to such spouse or former spouse, to the extent the
157 mortgagee has such information. If a foreclosure mediation certificate is
158 not submitted by a mortgagor, other than a spouse or former spouse
159 claiming to be a permitted successor-in-interest, the court shall confirm,
160 in lieu of the requirements of [subparagraph (B) of this subdivision]
161 subdivision (2) of this subsection, that the foreclosure mediation
162 certificate submitted by the spouse or former spouse contains a
163 statement, signed by the spouse or former spouse, certifying that all
164 persons who are obligated on the note have otherwise given
165 documentation to the mortgagee which allows for the full disclosure by
166 the mortgagee of such person's nonpublic personal information to the
167 spouse or former spouse, to the extent the mortgagee has such
168 information. Such a certification may be rebutted conclusively by the
169 mortgagee if the mortgagee submits a written statement to the court in
170 which the mortgagee certifies that, based upon reasonable belief, the
171 mortgagee does not possess such documentation.

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

183 the court does not receive the appearance and foreclosure mediation
184 certificate forms from the mortgagor by the date fifteen days after the
185 return date for the foreclosure action, the court shall not assign the case
186 to mediation. Promptly upon receipt of the notice of assignment, but not
187 later than the thirty-fifth day following the return date, the mortgagee
188 or its counsel shall deliver to the mediator, via the electronic mail
189 address provided for communications related to the mediation, and to
190 the mortgagor, via first class, priority or overnight mail, [(A)] (1) an
191 account history identifying all credits and debits assessed to the loan
192 account and any related escrow account in the immediately preceding
193 twelve-month period and an itemized statement of the amount required
194 to reinstate the mortgage loan with accompanying information, written
195 in plain language, to explain any codes used in the history and statement
196 which are not otherwise self-explanatory, [(B)] (2) the name, business
197 mailing address, electronic mail address, facsimile number and direct
198 telephone number of an individual able to respond with reasonable
199 adequacy and promptness to questions relative to the information
200 submitted to the mediator pursuant to this subdivision, and any
201 subsequent updates to such contact information, which shall be
202 provided reasonably promptly to the mediator via the electronic mail
203 address provided for communication related to the mediation, [(C)] (3)
204 current versions of all reasonably necessary forms and a list of all
205 documentation reasonably necessary for the mortgagee to evaluate the
206 mortgagor for common alternatives to foreclosure that are available
207 through the mortgagee, if any, [(D)] (4) a copy of the note and mortgage,
208 including any agreements modifying such documents, [(E)] (5)
209 summary information regarding the status of any pending foreclosure
210 avoidance efforts being undertaken by the mortgagee, [(F)] (6) a copy of
211 any loss mitigation affidavit filed with the court, [and (G)] (7) at the
212 mortgagee's option, [(i) the history of foreclosure avoidance efforts with
213 respect to the mortgagor, (ii)] (A) information regarding the condition
214 of mortgaged property, and [(iii)] (B) such other information as the
215 mortgagee may determine is relevant to meeting the objectives of the
216 mediation program, (8) if the mortgage is a federally backed mortgage
217 loan, as defined in Section 4022 of P.L. 116-136, the history of the

218 mortgagee's compliance with any obligation to notify the mortgagor of
219 loss mitigation or foreclosure alternative options available for federally
220 backed mortgage loans, including, without limitation, any such options
221 required or made available pursuant to any order, directive or
222 regulation issued by any federal governmental authority in response to
223 COVID-19 during the public health and civil preparedness emergencies
224 declared by the Governor on March 10, 2020, or any extension of such
225 declarations, and (9) the history of foreclosure avoidance efforts
226 voluntarily undertaken by the mortgagee with respect to the mortgagor.
227 For the purposes of this subsection, "COVID-19" means the respiratory
228 disease designated by the World Health Organization on February 11,
229 2020, as coronavirus 2019, and any related mutation thereof recognized
230 by the World Health Organization as a communicable respiratory
231 disease. Following the mediator's receipt of such information, the court
232 shall assign a mediator to the mediation and schedule a meeting with
233 the mediator and all mortgagors who are relevant and necessary to the
234 mediation and to any agreement being contemplated in connection with
235 the mediation and shall endeavor to hold such meeting on or prior to
236 the forty-ninth day following the return date. The notice of such meeting
237 shall instruct the mortgagor to complete the forms prior to the meeting
238 and to furnish such forms together with the documentation contained
239 in the list, as provided by the mortgagee following the filing of the
240 foreclosure mediation certificate, at the meeting. At such meeting, the
241 mediator shall review such forms and documentation with the
242 mortgagor, along with the information supplied by the mortgagee, in
243 order to discuss the options that may be available to the mortgagor,
244 including any community-based resources, and assist the mortgagor in
245 completing the forms and furnishing the documentation necessary for
246 the mortgagee to evaluate the mortgagor for alternatives to foreclosure.
247 The mediator may elect to [schedule subsequent meetings with the
248 mortgagor and] conduct such meeting or any subsequent meeting with
249 the mortgagor on a virtual platform approved by the mediator and may
250 determine whether any mortgagor may be excused from an in-person
251 appearance at such meeting or subsequent meeting. The mediator may
252 excuse any mortgagor from attending such meeting or any subsequent

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

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

321 [(5)] (e) Notwithstanding the provisions of this [subsection] section,

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

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

356 31n, as amended by this act, has expired or has otherwise terminated,
357 whichever is earlier, and, if fewer than eight months has elapsed from
358 the return date at the time of termination, fifteen days have elapsed
359 since such termination and any pending motion or request to extend the
360 mediation period has been heard and denied by the court, or [(ii)] (B)
361 the mediation program is not otherwise required or available. Nothing
362 in this subdivision shall affect any motion made or any default or
363 judgment entered on or before June 30, 2011.

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

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

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

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

387 (b) (1) For any action for the foreclosure of a mortgage on residential

388 real property with a return date during the period from July 1, 2008, to
389 June 30, 2009, inclusive, the mediation period under the Ezequiel
390 Santiago Foreclosure Mediation Program established pursuant to
391 section 49-31m shall commence when the court sends notice to each
392 appearing party that a foreclosure mediation request form has been
393 submitted by a mortgagor to the court, which notice shall be sent not
394 later than three business days after the court receives a completed
395 foreclosure mediation request form. The mediation period shall
396 conclude not later than the conclusion of the third mediation session
397 between the mortgagor and mortgagee or seven months after the return
398 date, whichever is earlier, except that the court may, in its discretion, for
399 good cause shown, upon the motion of any party or the mediator,
400 extend the mediation period subject to the provisions of subdivision (9)
401 of this subsection or shorten the mediation period.

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

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

457 the mortgagee, (iii) a general description of the foreclosure alternative
458 being requested by the mortgagor, (iv) whether the mortgagor has
459 previously been evaluated for similar requests, whether prior to
460 mediation or in mediation, and, if so, whether there has been any
461 apparent change in circumstances since a decision was made with
462 respect to that prior evaluation, (v) whether the mortgagee has
463 responded to the mortgagor's request for a foreclosure alternative and,
464 if so, a description of the response and whether the mediator is aware of
465 any material reason not to agree with the response, (vi) whether the
466 mortgagor has responded to an offer made by the mortgagee on a
467 reasonably timely basis, and if so, an explanation of the response, (vii)
468 whether the mortgagee has requested additional information from the
469 mortgagor and, if so, the stated reasons for the request and the date by
470 which such additional information shall be submitted so that
471 information previously submitted by the mortgagor, to the extent
472 possible, may still be used by the mortgagee in conducting its review,
473 (viii) whether the mortgagor has supplied, on a reasonably timely basis,
474 any additional information that was reasonably requested by the
475 mortgagee, and, if not, the stated reason for not doing so, (ix) if
476 information provided by the mortgagor is no longer current for
477 purposes of evaluating a foreclosure alternative, a description of the
478 out-of-date information and an explanation as to how and why such
479 information is no longer current, (x) whether the mortgagee has
480 provided a reasonable explanation of the basis for a decision to deny a
481 request for a loss mitigation option or foreclosure alternative and
482 whether the mediator is aware of any material reason not to agree with
483 that decision, (xi) whether the mortgagee has complied with the time
484 frames set forth in this subdivision for responding to requests for
485 decisions, (xii) if a subsequent mediation session is expected to occur, a
486 general description of the expectations for such subsequent session and
487 for the parties prior to such subsequent session and, if not otherwise
488 addressed in the report, whether the parties satisfied the expectations
489 set forth in previous reports, and (xiii) a determination of whether the
490 parties will benefit from further mediation. The mediator shall deliver a
491 copy of such report to each party to the mediation when the mediator

492 files the report. The parties shall have the opportunity to submit their
493 own supplemental information following the filing of the report,
494 provided such supplemental information shall be submitted not later
495 than five business days following the receipt of the mediator's report.
496 Any request by the mortgagee to the mortgagor for additional or
497 updated financial documentation shall be made in writing. The court
498 may impose sanctions on any party or on counsel to a party if such party
499 or such counsel engages in intentional or a pattern or practice of conduct
500 during the mediation process that is contrary to the objectives of the
501 mediation program. Any sanction that is imposed shall be proportional
502 to the conduct and consistent with the objectives of the mediation
503 program. Available sanctions shall include, but not be limited to,
504 terminating mediation, ordering the mortgagor or mortgagee to
505 mediate in person, forbidding the mortgagee from charging the
506 mortgagor for the mortgagee's attorney's fees, awarding attorney's fees,
507 and imposing fines. In the case of egregious misconduct, the sanctions
508 shall be heightened. The court shall not award attorney's fees to any
509 mortgagee for time spent in any mediation session if the court finds that
510 such mortgagee has failed to comply with this subdivision, unless the
511 court finds reasonable cause for such failure.

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

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

521 (5) The Chief Court Administrator shall establish policies and
522 procedures to implement this subsection. Such policies and procedures
523 shall, at a minimum, provide that the mediator shall advise the
524 mortgagor at the first meeting required by subdivision (4) of subsection

525 (c) of section 49-31l that a judgment of strict foreclosure or foreclosure
526 by sale may cause the mortgagor to lose the residential real property to
527 foreclosure.

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

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

535 (8) At any time during the mediation period, the mediator may refer
536 a mortgagor who is the owner-occupant of one-to-four family
537 residential real property to the mortgage assistance programs, except
538 that any such referral shall not prevent a mortgagee from proceeding to
539 judgment when the conditions specified in subdivision (6) of subsection
540 (b) of section 49-31l have been satisfied.

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

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

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

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

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

587 [(c) (1)] (a) For any action for the foreclosure of a mortgage on
588 residential real property with a return date [during the period from] on

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

604 [(2) The mortgagor and mortgagee shall appear in person at each] (b)
605 Each mediation session shall be conducted in person, unless the
606 mediator elects to conduct the mediation session on a virtual platform
607 or grants permission to a party, or to the party's counsel, to appear at
608 the mediation session on a virtual platform approved by the mediator.
609 In determining whether to conduct a mediation session on a virtual
610 platform or to grant permission to appear at a mediation session on a
611 virtual platform, the mediator may consider the desires of the parties
612 and the parties' counsel, the technological and physical capabilities of
613 the parties and the parties' counsel and the objectives of the mediation
614 program. The mortgagor and mortgagee shall appear at each mediation
615 session, in person or on a virtual platform, as applicable, and shall have
616 the ability to mediate, except that [(A)] (1) if a party is represented by
617 counsel, the party's counsel may appear in lieu of the party to represent
618 the party's interests at the mediation, provided the party has the ability
619 to mediate and the party is available [(i)] (A) during the mediation
620 session by telephone, and [(ii)] (B) to participate in the mediation session
621 by speakerphone or teleconference, provided an opportunity is afforded
622 for confidential discussions between the party and party's counsel, [(B)]

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

658 be extended but only for so long as is reasonable given the timing of the
659 mortgagor's submission of such additional information and the nature
660 and context of the required underwriting. Not later than the third
661 business day after each mediation session, the mediator shall file with
662 the court a report indicating, to the extent applicable, [(i)] (A) the extent
663 to which each of the parties complied with the requirements set forth in
664 this subdivision, including the requirement to engage in conduct that is
665 consistent with the objectives of the mediation program and to possess
666 the ability to mediate, [(ii)] (B) whether the mortgagor submitted a
667 complete package of financial documentation to the mortgagee, [(iii)]
668 (C) a general description of the foreclosure alternative being requested
669 by the mortgagor, [(iv)] (D) whether the mortgagor has previously been
670 evaluated for similar requests, whether prior to mediation or in
671 mediation, and, if so, whether there has been any apparent change in
672 circumstances since a decision was made with respect to that prior
673 evaluation, [(v)] (E) whether the mortgagee has responded to the
674 mortgagor's request for a foreclosure alternative and, if so, a description
675 of the response and whether the mediator is aware of any material
676 reason not to agree with the response, [(vi)] (F) whether the mortgagor
677 has responded to an offer made by the mortgagee on a reasonably timely
678 basis, and if so, an explanation of the response, [(vii)] (G) whether the
679 mortgagee has requested additional information from the mortgagor
680 and, if so, the stated reasons for the request and the date by which such
681 additional information shall be submitted so that information
682 previously submitted by the mortgagor, to the extent possible, may still
683 be used by the mortgagee in conducting its review, [(viii)] (H) whether
684 the mortgagor has supplied, on a reasonably timely basis, any
685 additional information that was reasonably requested by the mortgagee,
686 and, if not, the stated reason for not doing so, [(ix)] (I) if information
687 provided by the mortgagor is no longer current for purposes of
688 evaluating a foreclosure alternative, a description of the out-of-date
689 information and an explanation as to how and why such information is
690 no longer current, [(x)] (J) if the mortgage is a federally backed mortgage
691 loan, as defined in Section 4022 of P.L. 116-136, the history of the
692 mortgagee's compliance with any obligation to notify the mortgagor of

693 loss mitigation or foreclosure alternative options available for federally
694 backed mortgage loans, including, without limitation, any such options
695 required or made available pursuant to any order, directive or
696 regulation issued by any federal governmental authority in response to
697 COVID-19, as defined in subsection (d) of section 49-311, as amended by
698 this act, during the public health and civil preparedness emergencies
699 declared by the Governor on March 10, 2020, or any extension of such
700 declarations, (K) the history of foreclosure avoidance efforts voluntarily
701 undertaken by the mortgagee with respect to the mortgagor, (L)
702 whether the mortgagee has provided a reasonable explanation of the
703 basis for a decision to deny a request for a loss mitigation option or
704 foreclosure alternative and whether the mediator is aware of any
705 material reason not to agree with that decision, [(xi)] (M) whether the
706 mortgagee has complied with the time frames set forth in this
707 subdivision for responding to requests for decisions, [(xii)] (N) if a
708 subsequent mediation session is expected to occur, a general description
709 of the expectations for such subsequent session and for the parties prior
710 to such subsequent session and, if not otherwise addressed in the report,
711 whether the parties satisfied the expectations set forth in previous
712 reports, and [(xiii)] (O) a determination of whether the parties will
713 benefit from further mediation. The mediator shall deliver a copy of
714 such report to each party to the mediation when the mediator files the
715 report. The parties shall have the opportunity to submit their own
716 supplemental information following the filing of the report, provided
717 such supplemental information shall be submitted not later than five
718 business days following the receipt of the mediator's report. Any
719 request by the mortgagee to the mortgagor for additional or updated
720 financial documentation shall be made in writing. The court may
721 impose sanctions on any party or on counsel to a party if such party or
722 such counsel engages in intentional or a pattern or practice of conduct
723 during the mediation process that is contrary to the objectives of the
724 mediation program. Any sanction that is imposed shall be proportional
725 to the conduct and consistent with the objectives of the mediation
726 program. Available sanctions shall include, but not be limited to,
727 terminating mediation, ordering the mortgagor or mortgagee to

728 mediate in person, forbidding the mortgagee from charging the
729 mortgagor for the mortgagee's attorney's fees, awarding attorney's fees,
730 and imposing fines. In the case of egregious misconduct, the sanctions
731 shall be heightened. The court shall not award attorney's fees to any
732 mortgagee for time spent in any mediation session if the court finds that
733 such mortgagee has failed to comply with this subdivision, unless the
734 court finds reasonable cause for such failure.

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

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

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

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

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

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

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

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

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

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

820 [(d)] (1) Not later than February 14, 2014, the Chief Court
821 Administrator shall submit, in accordance with the provisions of section
822 11-4a, to the joint standing committee of the General Assembly having
823 cognizance of matters relating to banking, a summary regarding the
824 mediation program and a general summary of the data collected in the
825 reports submitted pursuant to subdivision (2) of subsections (b) and (c)
826 of this section from July 1, 2013, to December 31, 2013, inclusive. Such

827 summaries shall include, but not be limited to, the aggregate data
828 regarding the number of cases in mediation, the number of mediation
829 sessions held, the number of agreements reached before the conclusion
830 of the mediation period, the number of motions or requests for an
831 extension or continuance and the identity of the party that made such a
832 motion or request, whether the loan at issue was serviced by a third
833 party, the judicial district in which the mediation took place and
834 whether the mortgagor was self-represented.

835 (2) Not later than March 1, 2021, and March 1, 2023, the Chief Court
836 Administrator shall submit, in accordance with the provisions of section
837 11-4a, to the joint standing committee of the General Assembly having
838 cognizance of matters relating to banking, a summary of the reports
839 submitted from July 1, 2013, to December thirty-first of the immediately
840 preceding year, inclusive, pursuant to subdivision (2) of subsections (b)
841 and (c) of this section. The detailed data points for such summary,
842 including data to be collected but not reported, shall be developed by
843 the Chief Court Administrator in consultation with representatives from
844 the Governor's office, the Department of Banking, the banking industry
845 and consumer advocates.]

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

849 (8) "Ability to mediate" means an exhibition on the part of the
850 relevant person of a willingness, including a reasonable ability, to
851 participate in the mediation process in a manner consistent with the
852 objectives of the mediation program and in conformity with any
853 obligations imposed in accordance with [subdivision (2) of subsection
854 (b) or (c), as applicable, of] section 49-31n, as amended by this act,
855 including, but not limited to, a willingness and reasonable ability to
856 respond to questions and specify or estimate when particular decisions
857 will be made or particular information will be furnished and, with
858 respect to the mortgagee, a reasonable familiarity with the loan file, any
859 loss mitigation options that are available to the mortgagor and the

860 material issues raised in prior mediation sessions. Reasonable
861 familiarity with such material issues may be achieved by becoming
862 reasonably familiar with the mediator reports submitted in accordance
863 with [subdivision (4) of subsections (b) and (c)] subsection (d) of section
864 49-31n, as amended by this act, to the extent such reports are available;

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

881 Sec. 4. Subsection (a) of section 49-31r of the general statutes is
882 repealed and the following is substituted in lieu thereof (*Effective October*
883 *1, 2021*):

884 (a) A mortgagee, as defined in section 49-8a, shall include the form
885 promulgated by the Judicial Branch, in accordance with [subdivision (3)
886 of] subsection (c) of section 49-31l, as amended by this act, concerning
887 notice of community-based resources to parties involved in foreclosure
888 mediation with any notice to a mortgagor, as defined in said section 49-
889 8a, of an intent to accelerate the mortgage loan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

978 (a) Not later than January 1, 1994, the authority shall establish, within
979 available funds, a program to provide emergency mortgage assistance
980 payments to [mortgagors] homeowners who are mortgagors in
981 accordance with the provisions of sections 8-265cc to 8-265kk, inclusive,
982 as amended by this act. On and after July 1, 2021, the program shall,
983 within available funds, provide emergency lien assistance payments to
984 homeowners in accordance with the provisions of said sections. Any

985 necessary and related administrative and operational expenses incurred
986 by the authority in implementing the program may be paid from funds
987 made available for the program.

988 (b) Notwithstanding any provision of the general statutes, or any rule
989 of law to the contrary, on and after July 1, 2008, no judgment of strict
990 foreclosure nor any judgment ordering a foreclosure sale shall be
991 entered in any action instituted by the mortgagee to foreclose a
992 mortgage commenced on or after said date, for the foreclosure of an
993 eligible mortgage unless (1) notice to [the mortgagor] the homeowner
994 who is a mortgagor has been given by the mortgagee in accordance with
995 section 8-265ee, as amended by this act, and the time for response has
996 expired, and (2) a determination has been made on the [mortgagor's]
997 homeowner's application for emergency mortgage assistance payments
998 in accordance with section 8-265ff, as amended by this act, or the
999 applicable time periods set forth in sections 8-265cc to 8-265kk,
1000 inclusive, as amended by this act, have expired, whichever is earlier. For
1001 purposes of this section and sections 8-265ee to 8-265kk, inclusive, as
1002 amended by this act, an "eligible mortgage" is a mortgage which satisfies
1003 the standards contained in subdivisions (1), (7) and (9) to (12), inclusive,
1004 of subsection (e) of section 8-265ff, as amended by this act.

1005 Sec. 8. Section 8-265ee of the general statutes is repealed and the
1006 following is substituted in lieu thereof (*Effective October 1, 2021*):

1007 (a) On and after July 1, 2008, a mortgagee who desires to foreclose
1008 upon a mortgage which satisfies the standards contained in
1009 subdivisions (1), (9), (10) and (11) of subsection (e) of section 8-265ff, as
1010 amended by this act, shall give notice to [the mortgagor] each
1011 homeowner who is a mortgagor by registered, or certified mail, postage
1012 prepaid at the address of the property which is secured by the mortgage.
1013 No such mortgagee may commence a foreclosure of a mortgage prior to
1014 mailing such notice. Such notice shall advise the [mortgagor]
1015 homeowner of his delinquency or other default under the mortgage and
1016 shall state that the [mortgagor] homeowner has sixty days from the date
1017 of such notice in which to (1) have a face-to-face meeting, telephone or

1018 other conference acceptable to the authority with the mortgagee or a
1019 face-to-face meeting with a consumer credit counseling agency to
1020 attempt to resolve the delinquency or default by restructuring the loan
1021 payment schedule or otherwise, and (2) contact the authority, at an
1022 address and phone number contained in the notice, to obtain
1023 information and apply for emergency mortgage assistance payments if
1024 the [mortgagor] homeowner and mortgagee are unable to resolve the
1025 delinquency or default.

1026 (b) Except in cases in which the mortgagee refuses to meet with the
1027 [mortgagor] homeowner, if the [mortgagor] homeowner fails to meet
1028 with the mortgagee or comply with any of the time limitations specified
1029 in the notice as provided in subsection (a) of this section, or if the
1030 [mortgagor's] homeowner's application is not filed by the date thirty
1031 days after the date of any default in payment under an agreement as
1032 provided in subsection (c) of this section or if the [mortgagor's]
1033 homeowner's application for emergency mortgage assistance payments
1034 is not approved by the date thirty calendar days after the date of receipt
1035 of the [mortgagor's] homeowner's application in accordance with the
1036 provisions of section 8-265ff, as amended by this act, the foreclosure of
1037 the [mortgagor's] homeowner's mortgage may, at any time thereafter,
1038 except as provided in subsection (e) of this section, continue without any
1039 further restriction or requirement under the provisions of sections 8-
1040 265cc to 8-265kk, inclusive, as amended by this act, provided the
1041 mortgagee files an affidavit with the court stating the notice provisions
1042 of subsection (a) of this section have been complied with and that either
1043 the [mortgagor] homeowner failed to meet with the mortgagee or failed
1044 to comply with all of the time limitations specified in the notice as
1045 provided in subsection (a) of this section or that the [mortgagor's]
1046 homeowner's application for emergency assistance payments was not
1047 approved by the date thirty calendar days after the date of receipt of the
1048 [mortgagor's] homeowner's application, or that a determination of
1049 ineligibility was made.

1050 (c) If, after a face-to-face meeting, telephone or other conference
1051 acceptable to the authority, as provided in subsection (a) of this section,

1052 the [mortgagor] homeowner and the mortgagee reach an agreement to
1053 resolve the delinquency or default and, because of financial hardship
1054 due to circumstances beyond the [mortgagor's] homeowner's control,
1055 the [mortgagor] homeowner is unable to fulfill the obligations of the
1056 agreement, the [mortgagor] homeowner may apply to the authority for
1057 emergency mortgage assistance payments under sections 8-265cc to 8-
1058 265kk, inclusive, as amended by this act, by the date thirty days after the
1059 date of any default in payment under the agreement. The mortgagee
1060 shall not be required to send any additional notice to the [mortgagor]
1061 homeowner other than the notice required under subsection (a) of this
1062 section.

1063 (d) Nothing in sections 8-265cc to 8-265kk, inclusive, as amended by
1064 this act, shall prevent a [mortgagor] homeowner from exercising rights
1065 that may exist under the foreclosure mediation program and those
1066 rights may be exercised concurrently with the rights afforded under
1067 sections 8-265cc to 8-265kk, inclusive, as amended by this act, provided
1068 the exercise of rights under the foreclosure mediation program shall not
1069 cause a delay in the determination under subsection (e) of section 8-
1070 265ff, as amended by this act. Nothing in sections 8-265cc to 8-265kk,
1071 inclusive, as amended by this act, shall prevent a [mortgagor]
1072 homeowner from applying or reapplying and being considered for
1073 emergency mortgage assistance if such [mortgagor] homeowner is
1074 referred to the emergency mortgage assistance program by the
1075 foreclosure mediation program.

1076 Sec. 9. Section 8-265ff of the general statutes is repealed and the
1077 following is substituted in lieu thereof (*Effective October 1, 2021*):

1078 (a) (1) Any [mortgagor] homeowner who is a mortgagor may apply
1079 for emergency mortgage assistance payments under sections 8-265cc to
1080 8-265kk, inclusive, as amended by this act, if [such mortgagor (1)] (A)
1081 such homeowner (i) has received notice of intent to foreclose as
1082 provided in section 8-265ee, as amended by this act, [or (2) (A)] (ii) is
1083 sixty days or more delinquent on a mortgage, or [(B) such mortgagor]
1084 (iii) anticipates that he or she will be sixty days or more delinquent on a

1085 mortgage based on financial hardship beyond such [mortgagor's]
1086 homeowner's control, provided the authority determines that such
1087 [mortgagor] homeowner will be so delinquent, or (B) the homeowner's
1088 mortgage is in forbearance.

1089 (2) Any homeowner may apply for emergency lien assistance
1090 payments under sections 8-265cc to 8-265kk, inclusive, as amended by
1091 this act, if such homeowner (A) has received notice of the lienholder's
1092 intent to foreclose the lien, (B) is sixty days or more delinquent on the
1093 debt secured by a lien, or (C) anticipates that he or she will be sixty days
1094 or more delinquent on the debt secured by a lien based on financial
1095 hardship beyond such homeowner's control, provided the authority
1096 determines that such homeowner will be so delinquent.

1097 (3) As part of the application process, the authority may refer the
1098 applicant to a counseling agency approved by the United States
1099 Department of Housing and Urban Development.

1100 (b) If the [mortgagor] homeowner applies for emergency mortgage or
1101 lien assistance payments under sections 8-265cc to 8-265kk, inclusive, as
1102 amended by this act, the authority shall, no later than eight business
1103 days after the date of receipt of such application, notify all of the
1104 mortgagees and lienholders listed on the application holding a
1105 mortgage or lien on the [mortgagor's] homeowner's real property.

1106 (c) The [mortgagor] homeowner shall apply for a loan on the form
1107 provided by the authority. The [mortgagor] homeowner shall complete
1108 and sign the application subject to the penalty for false statement under
1109 section 53a-157b.

1110 (d) The [mortgagor] homeowner shall provide the authority with full
1111 disclosure of all assets and liabilities, whether singly or jointly held, and
1112 all household income regardless of source. For purposes of this
1113 subsection, both of the following are included as assets:

1114 (1) The sum of the household's savings and checking accounts,
1115 market value of stocks, bonds and other securities, other capital

1116 investments, pensions and retirement funds valued in an amount
1117 greater than one hundred thousand dollars, personal property and
1118 equity in real property including the subject mortgage or lien property.
1119 Income derived from family assets shall be considered as income. Equity
1120 is the difference between the market value of the property and the total
1121 outstanding principal of any loans secured by the property and other
1122 liens.

1123 (2) Lump-sum additions to family assets such as inheritances, capital
1124 gains, insurance payments included under health, accident, hazard or
1125 workers' compensation policies and settlements, verdicts or awards for
1126 personal or property losses or transfer of assets without consideration
1127 within one year of the time of application. Pending claims for such items
1128 must be identified by the homeowner as contingent assets.

1129 (e) The authority shall make a determination of eligibility for
1130 emergency mortgage or lien assistance payments by the date thirty
1131 calendar days after the date [of receipt of the mortgagor's] the
1132 homeowner's application is received by the authority. During said
1133 thirty-day period no judgment of strict foreclosure or any judgment
1134 ordering foreclosure by sale shall be entered in any action for the
1135 foreclosure of any mortgage or lien any mortgagee or lienholder holds
1136 on the [mortgagor's] homeowner's real property. No emergency
1137 mortgage or lien assistance payments may be provided unless the
1138 authority finds that:

1139 (1) The real property securing the mortgage [is a one-to-four family
1140 owner-occupied residence, including, but not limited to, a single family
1141 unit in a common interest community,] or underlying the lien is
1142 residential real property that is the principal residence of the [mortgagor
1143 and is located in this state] homeowner;

1144 (2) Payments, including amounts for taxes and insurance payments,
1145 including mortgage insurance, or for charges, assessments and fees
1146 associated with a condominium or common interest community, as such
1147 terms are defined in section 47-202, or any combination of such

1148 payments, whether or not such payments are made into escrow or
1149 impound accounts as reserves, owed by the [mortgagor] homeowner
1150 under any mortgage or lien on such real property have been delinquent
1151 and the mortgagee, taxing authority, [or] unit owners association or
1152 lienholder has indicated to the [mortgagor] homeowner its intention to
1153 foreclose;

1154 (3) The [mortgagor] homeowner is a resident of this state and is
1155 suffering financial hardship which renders the [mortgagor] homeowner
1156 unable to correct the delinquency or delinquencies within a reasonable
1157 time and make full mortgage payments or payments on the debt secured
1158 by the lien. For the purposes of subdivision (7) of this subsection, in
1159 order to determine whether the financial hardship is due to
1160 circumstances beyond the [mortgagor's] homeowner's control, the
1161 authority may consider information regarding the [mortgagor's]
1162 homeowner's employment, credit history and current and past
1163 household income, assets, total debt service, net worth, eligibility for
1164 other types of assistance and any other criteria or related factors it deems
1165 necessary and relevant;

1166 (4) There is a reasonable prospect that [the mortgagor] (A) a
1167 homeowner who applies for emergency mortgage assistance payments
1168 will be able to resume full mortgage payments on the original, modified
1169 or refinanced mortgage within sixty months after the beginning of the
1170 period in which emergency mortgage assistance payments are provided
1171 in accordance with a written plan formulated or approved by the
1172 authority and pay the mortgage in full in level monthly payments of
1173 principal and interest, subject only to payment changes as provided in
1174 the mortgage, by its maturity date, and (B) a homeowner who applies
1175 for emergency lien assistance payments will be able to bring the debt
1176 underlying the lien current and resume regular payments to the
1177 lienholder for the tax, water, assessment or usage charges underlying
1178 the lien after payment by the authority of emergency lien assistance
1179 payments;

1180 (5) The [mortgagor] homeowner has applied to the authority for

1181 emergency mortgage or lien assistance payments on an application form
1182 prescribed by the authority which includes a financial statement
1183 disclosing all assets and liabilities of the [mortgagor] homeowner,
1184 whether singly or jointly held, and all household income regardless of
1185 source;

1186 (6) Based on the financial statement, the [mortgagor] homeowner has
1187 insufficient household income or net worth to correct the delinquency
1188 or delinquencies within a reasonable period of time and make full
1189 mortgage payments or regular payments to the lienholder for the tax,
1190 water, assessment or usage charges underlying the lien;

1191 (7) There is a reasonable prospect that the [mortgagor] homeowner,
1192 as determined by the authority, will be able to repay the emergency
1193 mortgage or lien assistance within a reasonable amount of time under
1194 the terms of section 8-265hh, as amended by this act, including through
1195 a refinancing of the mortgage, and the authority finds that, except for
1196 the current delinquency, [the mortgagor] any homeowner who is a
1197 mortgagor has had a favorable residential mortgage credit history for
1198 the previous two years or period of ownership, whichever is less. For
1199 the purposes of this subdivision, if a [mortgagor] homeowner has been
1200 more than thirty days in arrears four or more times on a residential
1201 mortgage within the previous year, the [mortgagor] homeowner shall
1202 be ineligible for emergency mortgage assistance payments unless the
1203 [mortgagor] homeowner can demonstrate that the prior delinquency
1204 was the result of financial hardship due to circumstances beyond the
1205 [mortgagor's] homeowner's control. In making a determination under
1206 this subsection, the authority may consider information regarding the
1207 structure of the mortgage, its repayment schedule, the length of time the
1208 [mortgagor] homeowner has lived in his or her home, and any other
1209 relevant factors or criteria it deems appropriate;

1210 (8) The mortgagee or lienholder is not otherwise prevented by law
1211 from foreclosing upon the mortgage;

1212 (9) The [mortgagor] homeowner has not mortgaged the real property

1213 for commercial or business purposes;

1214 (10) The [mortgagor] homeowner has not previously received
1215 emergency mortgage or lien assistance payments from the authority,
1216 [provided a mortgagor] except that (A) a homeowner who has
1217 previously received [such] mortgage assistance payments shall be
1218 eligible to reapply for mortgage assistance if the [mortgagor]
1219 homeowner has reinstated the mortgage and the [mortgagor shall not
1220 have been] homeowner is not delinquent for at least six consecutive
1221 months immediately following such reinstatement, and (B) a
1222 homeowner who has previously received lien assistance payments shall
1223 be eligible to reapply for lien assistance if the homeowner has brought
1224 the debt underlying the lien current and the homeowner is not
1225 delinquent on regular payments to the lienholder for the tax, water,
1226 assessment or usage charges underlying the lien for eighteen
1227 consecutive months immediately following the date such debt is made
1228 current;

1229 (11) The [mortgagor] homeowner is not in default under the
1230 mortgage except for the monetary delinquency referred to in
1231 subdivision (2) of this subsection; and

1232 (12) The [mortgagor] homeowner meets such other procedural
1233 requirements as the authority may establish, provided the authority
1234 shall not prohibit a homeowner from participating in the program solely
1235 on the basis that the homeowner received a discharge of debt through a
1236 bankruptcy filing and did not reaffirm such debt.

1237 Sec. 10. Section 8-265gg of the general statutes is repealed and the
1238 following is substituted in lieu thereof (*Effective October 1, 2021*):

1239 (a) If the authority approves a [mortgagor] homeowner for mortgage
1240 assistance under the provisions of section 8-265ff, as amended by this
1241 act, the authority shall make monthly emergency mortgage assistance
1242 payments directly to each mortgagee secured by the [mortgagor's]
1243 homeowner's real property for a period not to exceed sixty months,
1244 either consecutively or nonconsecutively, except no such payments shall

1245 be made after sixty months have passed since the date of the initial
1246 payment. The total monthly payment made by the authority, to or on
1247 behalf of a [mortgagor] homeowner under subsection (c) of this section,
1248 shall be not more than twenty-eight per cent of one hundred forty per
1249 cent of annual area median income, as published by the United States
1250 Department of Housing and Urban Development, divided by twelve.
1251 Upon receipt of payment in full from a [mortgagor] homeowner of the
1252 monthly amount established under subsection (b) of this section, the
1253 authority shall pay to each mortgagee the full amount then due to the
1254 mortgagee pursuant to the terms of the mortgage without regard to any
1255 acceleration under the mortgage. Such payments shall include, but not
1256 be limited to, principal, interest, taxes, assessments and insurance
1257 premiums. The initial payment made by the authority to each
1258 mortgagee may be an amount which pays all arrearages and pays
1259 reasonable costs and reasonable attorney's fees incurred by the
1260 mortgagee in connection with foreclosure of the mortgage.

1261 (b) A [mortgagor] homeowner on whose behalf the authority is
1262 making emergency mortgage assistance payments shall, during the
1263 period in which such assistance is provided, make monthly payments
1264 to the authority in lieu of the [mortgagor's] homeowner's monthly
1265 mortgage payments. Such payments to the authority shall be in an
1266 amount which will cause the [mortgagor's] homeowner's total housing
1267 expense to be less than or equal to thirty-five per cent of the
1268 [mortgagor's] homeowner's aggregate family income. The [mortgagor]
1269 homeowner shall make such payments to the authority not later than
1270 seven days before each mortgage payment is due to the mortgagee.

1271 (c) The amount by which the emergency mortgage assistance
1272 payments made by the authority to the mortgagee exceeds the payments
1273 made by the [mortgagor] homeowner to the authority shall be a loan in
1274 that amount made by the authority to the [mortgagor] homeowner. Any
1275 such loan shall be evidenced by such documents as the authority may
1276 require and shall be subject to repayment with interest and secured as
1277 provided in section 8-265hh, as amended by this act.

1278 (d) The authority shall establish procedures for periodic review of the
1279 [mortgagor's] homeowner's financial circumstances for the purpose of
1280 determining the necessity for continuation, termination or adjustment
1281 of the amount of emergency mortgage assistance payments or
1282 adjustment of the payments by the [mortgagor] homeowner pursuant
1283 to subsection (b) of this section. Payments shall be discontinued when
1284 the authority determines that, due to changes in the [mortgagor's]
1285 homeowner's financial condition, the payments are no longer necessary
1286 in accordance with the standards contained in section 8-265ff, as
1287 amended by this act, or the [expiration of the] sixty-month period of [a
1288 mortgagor] eligibility for such payments under subsection (e) of section
1289 8-265ff, as amended by this act, has expired, whichever is sooner, and a
1290 foreclosure of the [mortgagor's] homeowner's mortgage may, at any
1291 time thereafter, proceed without further restriction or requirement
1292 under sections 8-265cc to 8-265hh, inclusive, as amended by this act. The
1293 authority may adjust payments by the [mortgagor] homeowner
1294 pursuant to subsection (b) of this section based on a review under this
1295 subsection.

1296 (e) If the [mortgagor] homeowner fails to pay to the authority any
1297 amounts due under subsection (b) of this section within seven days of
1298 the date due to the authority, the authority shall review the
1299 [mortgagor's] homeowner's financial circumstances to determine
1300 whether the delinquency is the result of additional financial hardship
1301 due to circumstances beyond the [mortgagor's] homeowner's control. If
1302 the delinquency is not the result of additional financial hardship due to
1303 circumstances beyond the [mortgagor's] homeowner's control in the
1304 [mortgagor's] homeowner's financial circumstances, the authority shall
1305 terminate emergency mortgage assistance payments and the foreclosure
1306 of the [mortgagor's] homeowner's mortgage may, at [anytime] any time
1307 thereafter, continue without any further restriction or requirement
1308 under sections 8-265cc to 8-265kk, inclusive, as amended by this act. If
1309 the delinquency is the result of a change in the [mortgagor's]
1310 homeowner's financial circumstances, the authority may modify the
1311 [mortgagor's] homeowner's required monthly payments to the

1312 authority.

1313 (f) If any mortgagee scheduled to receive payments from the
1314 authority under the provisions of sections 8-265cc to 8-265kk, inclusive,
1315 as amended by this act, fails to receive the full amount of such payment
1316 from the authority within thirty days of the scheduled due date, or if the
1317 [mortgagor] homeowner fails to observe and perform all of the terms,
1318 covenants and conditions of the mortgage, the mortgagee shall provide
1319 a fifteen-day notice to the authority and the foreclosure of the
1320 [mortgagor's] homeowner's mortgage may, at any time thereafter,
1321 proceed without any further restriction or requirement under sections
1322 8-265cc to 8-265kk, inclusive, as amended by this act.

1323 Sec. 11. (NEW) (*Effective October 1, 2021*) (a) If the authority approves
1324 a homeowner for emergency lien assistance under the provisions of
1325 section 8-265ff of the general statutes, as amended by this act, the
1326 authority shall make emergency lien assistance payments directly to
1327 each lienholder secured by the homeowner's real property for (1) the full
1328 amount due and payable to the lienholder under the lien, or (2) the full
1329 amount due and payable to the lienholder under the lien for the thirty-
1330 six-month period commencing on the date the first tax, water,
1331 assessment or usage charge underlying the lien became due and
1332 payable, whichever is less. Such payment may be in an amount which
1333 pays all arrearages and pays reasonable costs and reasonable attorney's
1334 fees incurred by the lienholder in connection with the foreclosure of the
1335 lien.

1336 (b) The amount of the emergency lien assistance payments made by
1337 the authority to the lienholder shall be a loan in that amount made by
1338 the authority to the homeowner. Any such loan shall be evidenced by
1339 such documents as the authority may require and shall be subject to
1340 repayment with interest and secured as provided in section 8-265hh of
1341 the general statutes, as amended by this act.

1342 (c) If any lienholder scheduled to receive payments from the
1343 authority under the provisions of sections 8-265cc to 8-265kk, inclusive,

1344 of the general statutes, as amended by this act, fails to receive the full
1345 amount of such payment from the authority within thirty days of the
1346 scheduled due date, or if the homeowner fails to observe and perform
1347 all of the terms, covenants and conditions of lien, the lienholder shall
1348 provide a fifteen-day notice to the authority and the foreclosure of the
1349 lien may, at any time thereafter, proceed without any further restriction
1350 or requirement under sections 8-265cc to 8-265kk, inclusive, of the
1351 general statutes, as amended by this act.

1352 Sec. 12. Section 8-265hh of the general statutes is repealed and the
1353 following is substituted in lieu thereof (*Effective October 1, 2021*):

1354 (a) Upon approval of emergency mortgage or lien assistance
1355 payments, the authority shall enter into an agreement with the
1356 [mortgagor] homeowner for repayment of all such assistance with
1357 interest as provided in this section. The agreement shall provide for
1358 monthly payments by the [mortgagor] homeowner after emergency
1359 mortgage or lien assistance payments have ended and shall be subject
1360 to the following provisions:

1361 (1) If the [mortgagor's] homeowner's total housing expense,
1362 including projected repayments for [mortgage] assistance under this
1363 section, is greater than thirty-five per cent of the [mortgagor's]
1364 homeowner's aggregate family income, repayment of the emergency
1365 mortgage or lien assistance payments shall be deferred until such total
1366 housing expense, including projected repayments for [mortgage]
1367 assistance under this section, is less than or equal to thirty-five per cent
1368 of such aggregate family income;

1369 (2) If repayment of emergency mortgage or lien assistance payments
1370 is not made by the date the mortgage is paid in full, the [mortgagor]
1371 homeowner shall make monthly payments to the authority in an
1372 amount not less than the monthly mortgage payment until such
1373 assistance is repaid;

1374 (3) Interest shall accrue on all emergency mortgage and lien
1375 assistance payments made by the authority at a rate based upon the cost

1376 of funds to the state periodically determined by the State Treasurer in
1377 consultation with the authority. Interest shall start to accrue whenever
1378 the [mortgagor] homeowner is required to commence repayment under
1379 this section.

1380 (b) Repayment of amounts owed to the authority from a [mortgagor]
1381 homeowner under the provisions of sections 8-265cc to 8-265kk,
1382 inclusive, as amended by this act, shall be secured by a mortgage on the
1383 [mortgagor's] homeowner's real property, provided said mortgage shall
1384 not be deemed to take priority over any other mortgage or lien in effect
1385 against such property on the date the emergency mortgage is recorded.
1386 The authority may allow subordination of its mortgage if such
1387 subordination is required to permit the [mortgagor] homeowner to
1388 obtain a home improvement loan for repairs necessary to preserve the
1389 property.

1390 (c) The authority shall establish written procedures for periodic
1391 review of the [mortgagor's] homeowner's financial circumstances to
1392 determine the amounts of repayment required under this section.

1393 (d) All moneys received by the authority from [mortgagors]
1394 homeowners for repayment of emergency mortgage or lien assistance
1395 payments shall be paid to the authority, deposited in such funds or
1396 accounts as the authority may establish from time to time for such
1397 purpose and be used solely for the purposes of the program established
1398 pursuant to sections 8-265cc to 8-265kk, inclusive, as amended by this
1399 act.

1400 (e) Any [mortgagor] homeowner who misrepresents any financial or
1401 other pertinent information in conjunction with the filing of an
1402 application for emergency mortgage or lien assistance or modification
1403 of such assistance, may be denied assistance and required to
1404 immediately repay any amount of assistance already made. The
1405 mortgagee or lienholder may, at any time thereafter, take any legal
1406 action to enforce the mortgage or lien without further restrictions or
1407 requirements.

1408 (f) The authority may take any action it deems appropriate to recover
1409 emergency mortgage or lien assistance when the [mortgagor]
1410 homeowner fails to repay such assistance under the terms and
1411 conditions established under this section.

1412 Sec. 13. Section 8-265ii of the general statutes is repealed and the
1413 following is substituted in lieu thereof (*Effective October 1, 2021*):

1414 The Connecticut Housing Finance Authority shall adopt procedures
1415 in accordance with section 1-121 to implement the provisions of sections
1416 8-265cc to 8-265hh, inclusive, as amended by this act. Such procedures
1417 shall include the establishment of a process for notification to eligible
1418 [mortgagors] homeowners of the availability of funds under sections 8-
1419 265cc to 8-265kk, inclusive, as amended by this act, and for notification
1420 to the mortgagee or lienholder that an application has been received by
1421 or on behalf of the [mortgagor] homeowner and of the authority's
1422 determination of eligibility.

1423 Sec. 14. Section 8-265kk of the general statutes is repealed and the
1424 following is substituted in lieu thereof (*Effective October 1, 2021*):

1425 (a) If the authority determines that additional funding sources are
1426 necessary to provide emergency mortgage or lien assistance payments
1427 to homeowners in accordance with sections 8-265cc to 8-265kk,
1428 inclusive, as amended by this act, the authority may, in consultation
1429 with the State Treasurer, the Comptroller, representatives from
1430 Connecticut-based banks and a state banking industry association,
1431 establish as part of the emergency mortgage and lien assistance program
1432 a component program that shall be administered by the authority in
1433 collaboration with Connecticut-based banks and that may include, but
1434 need not be limited to, loan guarantees. Any loan issued under such
1435 component program shall be used for the purposes described in sections
1436 8-265cc to 8-265kk, inclusive, as amended by this act. The authority shall
1437 notify the State Treasurer of the authority's intention to establish a
1438 component program prior to establishing such program and the State
1439 Treasurer shall (1) advise the authority as to the state's ability to provide

1440 loan guarantees under such program, and (2) recommend guidelines for
 1441 such guarantees. For purposes of this subsection, "Connecticut-based
 1442 banks" means banks and out-of-state banks, each as defined in section
 1443 36a-2, having deposit-taking branches in the state.

1444 (b) If funds are not available to provide emergency mortgage or lien
 1445 assistance payments to [mortgagors] homeowners in accordance with
 1446 sections 8-265cc to 8-265kk, inclusive, as amended by this act, the
 1447 authority shall notify all mortgagees and lienholders and shall not
 1448 accept applications for emergency mortgage or lien assistance payment.
 1449 Upon receipt of such notice from the authority and until mortgagees and
 1450 lienholders receive a further notice from the authority that such funds
 1451 are again available and applications for [emergency mortgage] such
 1452 assistance payments are again being accepted by the authority: (1)
 1453 Mortgagees may commence foreclosure actions without first providing
 1454 the notice set forth in subsection (a) of section 8-265ee, as amended by
 1455 this act; and (2) the foreclosure of mortgages and liens by mortgagees or
 1456 lienholders may continue without any further restriction or requirement
 1457 under the provisions of sections 8-265cc to 8-265kk, inclusive, as
 1458 amended by this act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2021	49-31l
Sec. 2	October 1, 2021	49-31n
Sec. 3	October 1, 2021	49-31k(8) and (9)
Sec. 4	October 1, 2021	49-31r(a)
Sec. 5	October 1, 2021	49-31v
Sec. 6	October 1, 2021	8-265cc
Sec. 7	October 1, 2021	8-265dd
Sec. 8	October 1, 2021	8-265ee
Sec. 9	October 1, 2021	8-265ff
Sec. 10	October 1, 2021	8-265gg
Sec. 11	October 1, 2021	New section
Sec. 12	October 1, 2021	8-265hh
Sec. 13	October 1, 2021	8-265ii
Sec. 14	October 1, 2021	8-265kk