
OLR Bill Analysis

sHB 5215

AN ACT CONCERNING MORTGAGE RELEASES AND REQUIRING MORTGAGEES TO ACCEPT CERTAIN FORMS OF PAYMENT.

SUMMARY

This bill specifies to whom a mortgage release must be delivered by a mortgagee (lender), or by a person authorized to release a mortgage, when:

1. the mortgage is paid off;
2. a bona fide offer exists to pay off the mortgage or part of the mortgage, in accordance with its terms upon a release; or
3. the interested parties have a written agreement to partially release the mortgage.

The bill requires the release be sent to the mortgagor (borrower) or mortgagor's legal representative if either makes a written request for it. Otherwise, the release must be delivered to the town clerk of the town where the property is situated, and a copy must be sent to the mortgagor at or about the same time as the delivery to the town clerk.

The bill separately requires a mortgagee to accept as payment or partial payment to satisfy a mortgage any of the following: a bank or certified check; an attorney's clients' funds check; a title insurance company check; a wire transfer; or any other payment authorized by federal law. (It is unclear, given the bill's placement of this requirement in an existing statute (CGS § 49-8a), whether it applies to all mortgages or "mortgage loans" as defined in the statute, which are limited to mortgages on up to four family residential properties.)

EFFECTIVE DATE: October 1, 2022

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/08/2022)