

Reverse Mortgage Task Force

Recommendations



A Report to the Connecticut General Assembly

**Submitted to the Banking Committee pursuant to
Public Act 14-89 Sec. 51**

January 2015

Reverse Mortgage Task Force Recommendations

1. Require that either the mortgage origination or the counseling is done in person.
2. Change legal title from Reverse Annuity Mortgage to Reverse Annuity Loan.
3. Per Se Violation of CUTPA: Connecticut has a statute governing unfair and deceptive acts and practices (Connecticut Unfair Trade Practices Act, Sec. 42-110d, CGS) and woven throughout other statutes are per se violations of CUTPA. Although unfair or deceptive acts or practices by reverse mortgage lenders/brokers could be pursued under CUTPA, it may be worth adding per se violation with respect to advertising, notice and/or disclosures.
4. Cooling-off Period: Implement a 7 day “cooling off” period from the time of counseling to the time of signing the loan
5. Meaningful Disclosures: Create a worksheet instead of a checklist that must be signed off by both the borrower and the housing counselor.