

1004
FISCAL NOTE (Form 1)
(Office of Fiscal Analysis)
Analyst: *TW 4/16/92*
tc
Version: 3

BILL NUMBER: SHB 5403
FILE NUMBER:
AMENDMENTS: House "A" and "B"

TITLE: "AN ACT CONCERNING ALTERNATIVES TO FORECLOSURE OF
RESIDENTIAL MORTGAGE LOANS AS A FACTOR IN COMMUNITY
REINVESTMENT PERFORMANCE"

FAVORABLY REPORTED BY Banks

EFFECTIVE DATE: 10/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5403

STATE IMPACT	Minimal Cost, Within Normal Budgetary Resources, see explanation below, (Special Fund)
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Banking, Connecticut Housing Finance Authority, Department of Housing, Treasurer's Office

EXPLANATION OF ESTIMATES:

There will be an increase in CRA examination work for the Department of Banking as a result of the passage of this bill as amended. The increase is associated with the requirement of more staff time for the Department of Banking to review each regulated bank's effort in assisting mortgage holders who are unemployed or underemployed.

It is anticipated that this additional responsibility can be handled by the existing staff of the department.

The Department of Banking is a Special Fund agency that assesses the banks it regulates for approximately 55% of its funding. The remaining 45% is provided through fees charged to banks for department services.

Since the bill as amended would allow all amounts of money to be deposited into the escrow account, additional resources could be available. The extent of the additional resources is indeterminate.

It is anticipated that any expansion of the eligibility criteria will be accomplished within the normal capital budgetary resources of DOH, therefore no immediate fiscal impact is expected to result from the passage of bill as amended. However, because of a potential increased demand for services, there may be a need for a future increase in the level of funding.

House "A" is technical in nature and has no fiscal impact.

House "B" would allow any amount of money to be deposited into the Real Estate Escrow Account; and expand the eligibility for the down payment assistance program or other direct subsidy. It has no fiscal impact.