



House of Representatives

General Assembly

File No. 43

February Session, 2022

House Bill No. 5217

House of Representatives, March 21, 2022

The Committee on Banking reported through REP. DOUCETTE of the 13th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL REVISIONS TO THE BANKING STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 8-265hh of the 2022 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2022*):

4 (a) Upon approval of emergency mortgage or lien assistance
5 payments, the authority shall enter into an agreement with the
6 homeowner for repayment of all such assistance with interest as
7 provided in this section. The agreement shall provide for monthly
8 payments by the homeowner after emergency mortgage or lien
9 assistance payments have ended and shall be subject to the following
10 provisions:

11 (1) If the homeowner's total housing expense, including projected
12 repayments for assistance under this section, is greater than thirty-five

13 per cent of the homeowner's aggregate family income, repayment of the
14 emergency mortgage or lien assistance payments shall be deferred until
15 such total housing expense, including projected repayments for
16 assistance under this section, is less than or equal to thirty-five per cent
17 of such aggregate family income;

18 (2) If repayment of emergency mortgage or lien assistance payments
19 is not made by the date the mortgage is paid in full, the homeowner
20 shall make monthly payments to the authority in an amount not less
21 than the monthly mortgage or lien payment until such assistance is
22 repaid;

23 (3) Interest shall accrue on all emergency mortgage and lien
24 assistance payments made by the authority at a rate based upon the cost
25 of funds to the state periodically determined by the State Treasurer in
26 consultation with the authority. Interest shall start to accrue whenever
27 the homeowner is required to commence repayment under this section.

28 Sec. 2. Subsection (b) of section 8-286 of the 2022 supplement to the
29 general statutes is repealed and the following is substituted in lieu
30 thereof (*Effective October 1, 2022*):

31 (b) Not later than October 1, 2021, the authority shall establish
32 guidelines for issuing loans under the program. Such guidelines shall
33 permit the authority to (1) provide loans to borrowers with a debt-to-
34 income ratio equal to the highest debt-to-income ratio permitted by the
35 Federal Housing Administration, the Federal National Mortgage
36 Association and the Federal Home Loan Mortgage Corporation for
37 residential mortgage loans, as applicable, subject to any other
38 limitations of this chapter, and (2) consider (A) the application of a
39 prospective borrower, regardless of the prospective borrower's credit
40 score, and (B) nontraditional credit references submitted by the
41 prospective borrower including, but not limited to, proof of
42 employment or proof of rental and utility payments.

43 Sec. 3. Subsection (f) of section 12-195h of the 2022 supplement to the
44 general statutes is repealed and the following is substituted in lieu

45 thereof (*Effective October 1, 2022*):

46 (f) When providing the written notice required under subsection (e)
47 of this section, the assignee may rely on the last recorded security
48 interest of record in identifying the name and mailing address of the
49 holder of such interest, unless the holder of such interest is the plaintiff
50 in an action pending in Superior Court to enforce such interest, in which
51 [the] case the assignee shall provide the written notice to the attorney
52 appearing on behalf of the plaintiff.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	8-265hh(a)
Sec. 2	<i>October 1, 2022</i>	8-286(b)
Sec. 3	<i>October 1, 2022</i>	12-195h(f)

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

This bill makes technical and conforming changes to the banking statutes that do not result in a fiscal impact to the state or municipalities.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**HB 5217*****AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL REVISIONS TO THE BANKING STATUTES.*****SUMMARY**

This bill makes technical and conforming changes to certain municipal tax lien, Department of Housing, and Connecticut Housing Finance Authority (CHFA) statutes, including by specifying that a homeowner receiving CHFA emergency lien payments must make monthly payments to the authority in at least the amount they would have paid towards liens. (This is a conforming change to PA 21-44, which established the emergency lien assistance program within CHFA's existing Emergency Mortgage Assistance Program.)

EFFECTIVE DATE: October 1, 2022

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 17 Nay 0 (03/08/2022)