



CMBA Legislative Update

Connecticut

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A LOOK BACK AT 2015

FORECLOSURE - MEDIATION



Public Act 15-124 — AN ACT EXTENDING THE FORECLOSURE MEDIATION PROGRAM

This bill extends the state's foreclosure mediation program for three years, until July 1, 2019. The court may not accept mediation requests on or after this date, and the program terminates when the mediation of all previously submitted requests conclude. Under current law, the court may not accept mediation requests after July 1, 2016.

The bill also expands the scope of the program for foreclosure actions with a return date on or after October 1, 2015, by making eligible an owner-occupant who is not a borrower on the mortgage but who is a permitted successor-in-interest who, among other things, holds title to the property as a result of divorce or the borrower's death.

LIENS - BLIGHT



HB 6653 — AN ACT CONCERNING MUNICIPAL NOTICE PROVISIONS, BLIGHT LIENS AND VOTING REQUIREMENTS FOR ESTABLISHING A DISTRICT TO MAINTAIN WATER QUALITY

This bill, **which was ultimately defeated**, would have authorized municipalities to place liens (“blight liens”) on any interest in a one-to-six family residential property in the same municipality owned by a property owner who is responsible for unpaid blight fines.

Under the bill, such liens are effective from the date they are recorded on the land records.

MORTGAGE BANKING



Public Act 142 – AN ACT IMPROVING DATA SECURITY AND AGENCY EFFECTIVENESS

This bill, among other things, amends the security breach notification requirements applicable to any person who conducts business in Connecticut by requiring the notice to include an offer of at least one year of free identity theft prevention and monitoring services. The notice must tell a person how:

1. Enroll in the services
2. Place a freeze on his or her credit file

Public Act 15-53 – AN ACT CONCERNING MORTGAGE CORRESPONDENT LENDERS, THE SMALL LOAN ACT, VIRTUAL CURRENCIES AND SECURITY FREEZES ON CONSUMER CREDIT REPORTS

- Allows Connecticut-licensed mortgage correspondent lenders to act as mortgage servicers without obtaining a mortgage servicer license from the banking commissioner, under certain circumstances;
- Changes the fidelity bond and error and omissions coverage requirements for mortgage servicers.

Public Act 15-236 — AN ACT PROTECTING ELDERLY CONSUMERS FROM EXPLOITATION

This law makes a number of changes to existing law regarding elder abuse, including:

- Requiring the Commission on Aging to create a forum and clearing house for best practices and free training resources to help financial institutions and agents detect potential fraud, exploitation, and financial abuse. The commission must establish a single portal for resources and material by January 1, 2016;
- Requiring “financial agents” to participate in mandatory training to detect potential elderly fraud, exploitation, and financial abuse, including using the commission's portal. Agents must complete the training within the later of six months after the commission establishes its portal or beginning employment.

Public Act 15-240 – AN ACT CONCERNING ADOPTION OF THE CONNECTICUT UNIFORM POWER OF ATTORNEY ACT

This law enacts the Uniform Power of Attorney Act and repeals current law governing powers of attorney (POA), including:

- A statutory form for a POA;
- A list of powers the principal can grant an agent in different subjects, and provisions terminating a POA when a conservator of the estate is appointed for a principal who can no longer manage his or her affairs.

Current law allows a principal to grant an agent authority over various subjects such as real estate, stocks and bonds, banking transactions, litigation, and personal relationships.

Public Act 15-235 — AN ACT CONCERNING REVISIONS TO VARIOUS CONNECTICUT BANKING STATUTES

This law makes numerous changes in various banking statutes. Among other things, it:

- Makes several revisions to the Connecticut Truth-in-Lending Act (Connecticut TILA) to make it substantially similar to the Federal Truth-in-Lending Act (Federal TILA) and related regulations;
- Expands the banking commissioner's enforcement authority by giving him the authority to impose a civil penalty provided in federal law on creditors who violate certain federal requirements.

BUDGET – TAXES

GOVERNOR MALLOY AND GE HIGHLIGHT THIS CONTROVERSIAL TOPIC THAT WILL CONTINUE TO PLAY OUT IN CONNECTICUT WITH IMPLICATIONS FOR THE MORTGAGE INDUSTRY AND ECONOMY IN GENERAL.



A Look Ahead to 2016

- Foreclosure Mediation Redux
- Recording Fees—a new proposal?
- Blight - Lien Issues
- Elder Abuse Training
- Continuing saga of Connecticut's budget and tax issues and increasing role of CT industries, including the mortgage industry, in improving state business environment.

Q & A

THANK YOU