



General Assembly

January Session, 2021

**Raised Bill No. 6370**

LCO No. 2738



Referred to Committee on BANKING

Introduced by:  
(BA)

***AN ACT PROHIBITING CERTAIN MORTGAGE LENDERS FROM CHARGING FEES TO BORROWERS AFTER RECEIVING A PAYMENT TO REINSTATE THE MORTGAGE.***

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

1 Section 1. Section 49-10a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2021*):

3 (a) A mortgagee shall, upon written request of the mortgagor or the  
4 mortgagor's attorney or other authorized agent provide a payoff  
5 statement or reinstatement payment statement in writing to the person  
6 requesting the payoff statement or reinstatement payment statement on  
7 or before the date specified in such request, provided such request date  
8 is at least seven business days after the date of receipt of the written  
9 request. If the request is made in connection with a default, the  
10 mortgagor's attorney may make such written request directly to the  
11 mortgagee, provided such written request contains a representation that  
12 the person requesting the payoff statement or reinstatement payment  
13 statement is the mortgagor's attorney and that the mortgagor has  
14 authorized the request.

15 (b) If the mortgagee fails to provide the payoff statement or  
16 reinstatement payment statement on or before such request date, the  
17 mortgagee shall not be entitled to the payment of any interest on the  
18 mortgage loan which is secured by such mortgage which accrues after  
19 the expiration of such request date. If the mortgagee provides the payoff  
20 statement or reinstatement payment statement to the person requesting  
21 such statement after the expiration of such request date, interest on the  
22 mortgage loan which accrues after the receipt of the payoff statement or  
23 the reinstatement payment statement by the person who has requested  
24 it shall again be payable. The burden of proof shall be on the mortgagor  
25 with respect to the receipt by the mortgagee of the mortgagor's request  
26 for a payoff statement or a reinstatement payment statement of the  
27 mortgage loan, and thereafter shall be on the mortgagee with respect to  
28 the receipt of the payoff statement or reinstatement payment statement  
29 by the mortgagor or the mortgagor's attorney or other authorized agent.

30 (c) The mortgagee shall not impose any fee or charge for the first  
31 payoff statement or reinstatement payment statement requested within  
32 a calendar year, unless the mortgagor or the mortgagor's attorney or  
33 other authorized agent requests expedited delivery of such statement,  
34 agrees to pay a fee for such expedited delivery and the statement is  
35 provided by the agreed upon date.

36 (d) A mortgage issued by a Connecticut bank or a Connecticut credit  
37 union on or after October 1, 2021, shall be reinstated on the date the  
38 mortgagor pays to the mortgagee the total amount due on a  
39 reinstatement payment statement, provided such payment is made on  
40 or before the date such statement expires. The mortgagee shall not  
41 charge the mortgagor for any costs, expenses or attorneys' fees incurred  
42 by the mortgagee in connection with the mortgagor's default if such  
43 costs, expenses or attorneys' fees were not included on the reinstatement  
44 payment statement and any such costs, expenses or attorneys' fees shall  
45 be waived by the mortgagee.

46 [(d)] (e) For the purposes of this section, "reinstatement payment  
47 statement" means a statement setting forth the total sum owed by a

48 mortgagor to a mortgagee, which, if paid, will cause the loan to be  
49 reinstated, provided any other contractual conditions for reinstatement  
50 are satisfied.

51 [(e)] (f) Nothing in this section shall create an obligation on the part  
52 of the mortgagee to provide a reinstatement payment statement if a  
53 right to cure the payment default and reinstate the mortgage loan does  
54 not exist under the mortgage loan documents or at law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2021	49-10a

**Statement of Purpose:**

To prohibit Connecticut banks and Connecticut credit unions from charging certain fees to borrowers after receiving a payment to reinstate the mortgage.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*