

Legislative History for Connecticut Act

**Act Number:** 08-58

**Bill Number:** 5578

**Senate Pages:** 2417, 2500-2503

5

**House Pages:** 1595-1606

12

**Committee:** No Hearings

**Page Total:**

17

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Acts from the Joint Standing Committee Public Hearing(s) and/or Senate  
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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

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skb

53

Senate

April 29, 2008

Thank you, Mr. President. Moving to Calendar  
Page 11, Calendar 453, House Bill 5578, Mr. President,  
move to place the item on the Consent Calendar.

THE CHAIR:

Hearing and seeing no objection, so ordered.

SEN. LOONEY:

Thank you, Mr. President. Calendar 454, PR.

Calendar 455, PR.

Calendar 456 is marked Go.

Calendar 457, House Bill 5645, Mr. President,  
move to place this item on the Consent Calendar.

THE CHAIR:

Hearing and seeing no objection, so ordered.

SEN. LOONEY:

Thank you, Mr. President. Calendar 466, House  
Bill 5615, Mr. President, move to place this item on  
the Consent Calendar.

THE CHAIR:

Hearing and seeing no objection, so ordered.

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136

Senate

April 29, 2008

Calendar 451, House Bill 5535.

Calendar 452, Substitute for House Bill 5609.

Calendar Page 11, Calendar 453, House Bill 5578.

Calendar 457, House Bill 5645.

Calendar 466, House Bill 5615.

Calendar Page 12, Calendar 469, Substitute for  
House Bill 5629.

Calendar 470, Substitute for House Bill 5033.

Calendar 471, House Bill 5511.

Calendar 471, Substitute for House Bill 5808.

Calendar Page 13, Calendar 474, Substitute for  
House Bill 5875.

Correction. Returning to Calendar Page 12,  
Calendar 471, House Bill 5511.

Calendar 472, Substitute for House Bill 5808.

Calendar Page 13, Calendar 474, Substitute for  
House Bill 5875.

Calendar 477, Substitute for House Bill 5666.

Calendar 478, Substitute for House Bill 5545.

skb

137

Senate

April 29, 2008

Calendar Page 20, Calendar 137, Substitute for  
Senate Bill 172.

Calendar Page 21, Calendar 159, Substitute for  
Senate Bill 305.

Calendar Page 23, Calendar 198, Substitute for  
Senate Bill 157.

Calendar Page 27, Calendar 298, Senate Bill 682.

Calendar Page 29, Calendar 365, House Bill 5628.

Calendar Page 30, Calendar 401, Substitute for  
Senate Bill 664.

Calendar Page 32, Calendar 444, Substitute for  
House Joint Resolution 22.

Calendar 445, House Joint Resolution 28.

Calendar 446, House Joint Resolution 29.

Calendar 458, House Joint Resolution 64.

Calendar Page 33, Calendar 459, House Joint  
Resolution 65.

Calendar 460, House Joint Resolution 66.

Calendar 461, House Joint Resolution 67.

skb

138

Senate

April 29, 2008

Calendar 462, House Joint Resolution 68.

Calendar Page 34, Calendar 463, Substitute for  
House Joint Resolution 69.

Mr. President, that completes those items placed  
on the Consent Calendar.

THE CHAIR:

The machine will be open.

THE CLERK:

The Senate is now voting by roll call on the  
Consent Calendar. Will all Senators please return to  
the Chamber?

The Senate is voting by roll call on the Consent  
Calendar. Will all Senators please return to the  
Chamber?

THE CHAIR:

Senator Meyer, would you like to vote, Sir, on  
the Consent Calendar?

skb

139

Senate

April 29, 2008

Have all Senators voted? If all Senators have voted, the machine will be locked. The Clerk will call the tally.

THE CLERK:

The motion is on adoption of Consent Calendar.  
Total number voting, 35; necessary for adoption, 18. Those voting "yea", 35; those voting "nay", 0. Those absent and not voting, 1.

THE CHAIR:

The Consent Calendar passes. Senator Looney.

SEN. LOONEY:

Yes, thank you, Mr. President. Mr. President, would move that any bills referred to committees be transmitted to those committees immediately and not held.

THE CHAIR:

Hearing and seeing no objection, Sir, so ordered.

SEN. LOONEY:

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CONNECTICUT  
GEN. ASSEMBLY  
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2008

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10

House of Representatives

April 17, 2008

Will the Clerk please call Calendar Number 44?

CLERK:

The State of Connecticut House of Representatives  
Calendar for Thursday, April 17, 2008, on Page 2,  
Calendar Number 44, House Bill Number 5578, AN ACT  
CONCERNING REINSTATEMENT PAYMENT STATEMENTS, Favorable  
Report of the Committee on Banks.

SPEAKER AMANN:

Representative Barry.

REP. BARRY: (12<sup>th</sup>)

Thank you very much, Mr. Speaker. I move for  
acceptance of the Joint Committee's Favorable Report  
and passage of the bill.

SPEAKER AMANN:

The question is on acceptance of the Committee's  
Favorable Report and passage of the bill. Will you  
remark, Sir?

REP. BARRY: (12<sup>th</sup>)

Yes. Thank you very much, Mr. Speaker. This  
bill just requires that a mortgagee, a lender provide  
a reinstatement payment statement upon request by a  
mortgagor, so when someone who has a loan with a bank

tmp

11

House of Representatives

April 17, 2008

just says that they want to reinstatement payment statement from the lender, the lender has to do it within a certain number of days.

I also, at this time, have an amendment that I'd like to call, LCO Number 3976.

SPEAKER AMANN:

Let the Chamber stand at ease for a moment.

(CHAMBER AT EASE)

Representative Barry, do you want to try again, Sir?

REP. BARRY: (12<sup>th</sup>)

Yes. Thank you very much, Mr. Speaker. At this time, I'd like to call LCO Number 4003.

SPEAKER AMANN:

Would the Clerk please call LCO Number 4003 to be designated House Amendment Schedule "A"?

CLERK:

LCO Number 4003, House "A", offered by Representative Barry.

SPEAKER AMANN:

Representative seeks leave of the Chamber to summarize. Is there objection on the summarization?

tmp

12

House of Representatives

April 17, 2008

Is there objection? Hearing none, Representative Barry, you can summarize the amendment, Sir.

REP. BARRY: (12<sup>th</sup>)

Thank you very much, Mr. Speaker. What this amendment does is just changes, technical changes to the underlying bill. The underlying bill indicates that a reinstatement and/or payoff statement would be produced by the mortgagee to the mortgagor within ten business days. The underlying bill reduces it from ten to five. This amendment makes it seven days, so I urge passage of the amendment.

SPEAKER AMANN:

Is there any further discussion on the amendment before us? Will you remark? Representative Ryan.

REP. RYAN: (141<sup>st</sup>)

Nice to see you, Mr. Speaker.

SPEAKER AMANN:

Nice to see you too, Sir.

REP. RYAN: (141<sup>st</sup>)

And what's better than starting the day with a banks bill, right?

SPEAKER AMANN:

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13

House of Representatives

April 17, 2008

Absolutely.

REP. RYAN: (141<sup>st</sup>)

Anything more scintillating than this? Thank you. Through you, Mr. Speaker, a question to the Distinguished Chair of the Banks Committee.

SPEAKER AMANN:

Please frame your question, Sir. Please prepare yourself for a question, Sir. You may proceed.

REP. RYAN: (141<sup>st</sup>)

Thank you, Mr. Speaker. To the Chair of the Banks Committee, since both of us have actually done closings in the real world here about real estate, is the problem that the amendment and the bill about namely that sometimes someone is behind on their payments and can't get a statement on what they need to catch up from the lender? Is that what the problem is? Through you, Mr. Speaker.

SPEAKER AMANN:

Representative Ryan. Excuse me. Representative Barry.

REP. BARRY: (12<sup>th</sup>)

tmp

14

House of Representatives

April 17, 2008

Yes. That is true. This deals with both payoff statements and reinstatement payments, so what you're talking about is with respect to reinstatement payments. So if someone is behind, and they want to be reinstated into their mortgage, they would request the reinstatement statement from the lender, and then get one.

And then the language surrounding the payoff statements deals with people who are maybe refinancing into another mortgage, and they want a payoff statement, which is separate and distinct from a reinstatement statement. So they ask the lender for a payoff statement, and then get a payoff statement sent to them within seven days from the lender under this bill as well.

SPEAKER AMANN:

Representative Ryan.

REP. RYAN: (141<sup>st</sup>)

Thank you, and through you, and I thank the gentleman for the answer. And through you, Mr. Speaker, and so the problem is, absent this amendment that we're doing on this bill today, frequently in the

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15

House of Representatives

April 17, 2008

real world what happens is you're calling for your client and trying to get the number to get to the lender, and they don't send you the statement, so is that what this addresses? Through you, Mr. Speaker.

SPEAKER AMANN:

Representative Barry.

REP. BARRY: (12<sup>th</sup>)

Through you, Mr. Speaker. Yes, that's what this addresses. Yes.

SPEAKER AMANN:

Representative Ryan.

REP. RYAN: (141<sup>st</sup>)

Thank you.

SPEAKER AMANN:

Thank you, Sir.

REP. BARRY: (12<sup>th</sup>)

And thank you, Mr. Speaker.

SPEAKER AMANN:

Care to remark further? Representative Cafero.

REP. CAFERO: (142<sup>nd</sup>)

Thank you, Mr. Speaker. Through you, questions to the proponent of the amendment.

tmp

16

House of Representatives

April 17, 2008

SPEAKER AMANN:

Please frame your question, sir. Please prepare for questions. You may proceed, Sir.

REP. CAFERO: (142<sup>nd</sup>)

Through you, Mr. Speaker, to Representative Barry. If the amendment and the underlying bill, as I think I heard Representative Ryan ask and you respond to, also concerns payoff statements. And is the current law now that a bank or a lending institution has ten days upon request to give you that payoff statement? Through you, Mr. Speaker.

SPEAKER AMANN:

Representative Barry.

REP. BARRY: (12<sup>th</sup>)

Through you, Mr. Speaker. To the Distinguished Minority Leader, yes.

SPEAKER AMANN:

Representative Cafero.

REP. CAFERO: (142<sup>nd</sup>)

And through you, Mr. Speaker, this would shorten that period of time to seven days. It initially was

tmp

17

House of Representatives

April 17, 2008

five, but the amendment makes it seven. Is that correct? Through you, Mr. Speaker.

SPEAKER AMANN:

Representative Barry.

REP. BARRY: (12<sup>th</sup>)

Through you, Mr. Speaker, yes.

SPEAKER AMANN:

Representative Cafero.

REP. CAFERO: (142<sup>nd</sup>)

Thank you. Through you, Mr. Speaker, is there anything in the bill that touches upon what happens, either under current law or with regard to this amendment, if they don't send that payoff statement within that period of time? Through you, Mr. Speaker.

SPEAKER AMANN:

Representative Barry.

REP. BARRY: (12<sup>th</sup>)

Not in this current bill. Through you, Mr. Speaker. Not in this current bill.

SPEAKER AMANN:

Representative Cafero.

REP. CAFERO: (142<sup>nd</sup>)

tmp

18

House of Representatives

April 17, 2008

Through you, Mr. Speaker, is the Distinguished Chairman of the Banks Committee aware of what the penalty is under current law if they do not send the payoff statement? Through you, Mr. Speaker.

SPEAKER AMANN:

Representative Barry.

REP. BARRY: (12<sup>th</sup>)

Through you, Mr. Speaker, to Representative Cafero. I believe the penalty is continued within the Mortgage Practices Act. Any violation thereof would be remedied by provisions in that act.

SPEAKER AMANN:

Representative Cafero.

REP. CAFERO: (142<sup>nd</sup>)

Thank you. Through you, Mr. Speaker, I thank the gentleman for his answer. I guess my concern is that, again being a practitioner myself, so often I hear that people are dealing obviously with out-of-town banks, out-of-state banks, banks that are across the country. They are trying to refinance or purchase a home or, excuse me, sell their home. And they are

tmp

19

House of Representatives

April 17, 2008

trying to get a payoff statement, and that statement never comes.

In fact, that situation was why we initially put the law in to begin with. I realize we're shortening the period of time. The problem is, the enforcement because so many times they are ignoring the ten-day, what is now a ten-day, what will be a seven-day period of time.

And I guess just as a comment, Mr. Speaker, I think we should start thinking about that the very money they are asking to be paid off is where we can deduct any such penalty, and maybe that is the current law. I'm not sure. But unless and until we make these banking institutions respond, you know, whether it's seven days, ten days, five days.

If there's no appreciable penalty that could be realized immediately in favor of the person requesting and not having an answer, and against the people who are delaying, you know, I'm not sure we're solving the problem.

tmp

20

House of Representatives

April 17, 2008

But at least this is half the issue, and with that, I'll support the amendment and the underlying bill. Thank you, Mr. Speaker.

SPEAKER AMANN:

Care to remark further on the amendment before us? Care to remark further? If not, let me try your minds. All in favor, please signify by saying Aye.

REPRESENTATIVES:

Aye.

SPEAKER AMANN:

All opposed, Nay. The Ayes have it. The amendment is adopted. Care to remark further on the bill as amended? If not, staff and guests, come to the Well of the House. Members, take your seats. The machine will be open.

CLERK:

The House of Representatives is voting by Roll Call. Members to the Chamber. Members to the Chamber. The House is taking a Roll Call Vote.

SPEAKER AMANN:

Have all the Members voted? Have all the Members voted? If all the Members have voted, make sure your

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21

House of Representatives

April 17, 2008

vote has been properly cast. If all the Members have voted, the machine will be locked, and the Clerk will take a tally. Will the Clerk please announce the tally?

CLERK:

House Bill Number 5578, as amended by House Amendment Schedule "A".

Total Number Voting	127
Necessary for Passage	64
Those voting Yea	127
Those voting Nay	0
Those absent and not voting	24

SPEAKER AMANN:

The bill passes as amended. Will the Clerk please call Calendar Number 159.

CLERK:

Calendar Number 159, on Page 6, Substitute for House Bill Number 5328, AN ACT CONCERNING UTILITY CUSTOMER SERVICE COMPLAINTS, Favorable Report of the Committee on Energy and Technology.

SPEAKER AMANN:

Representative Fontana.