



General Assembly

**Amendment**

January Session, 2025

LCO No. 8655



Offered by:

SEN. MILLER P., 27<sup>th</sup> Dist.  
REP. DOUCETTE, 13<sup>th</sup> Dist.  
SEN. BERTHEL, 32<sup>nd</sup> Dist.  
REP. DELNICKI, 14<sup>th</sup> Dist.

To: Subst. Senate Bill No. 1257

File No. 181

Cal. No. 146

**"AN ACT CONCERNING CONSUMER CREDIT AND COMMERCIAL FINANCING."**

1 Strike section 9 in its entirety and substitute the following in lieu  
2 thereof:

3 "Sec. 9. Subsection (i) of section 36a-671 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective October*  
5 *1, 2025*):

6 (i) No licensee may use any name other than its legal name or a  
7 fictitious name approved by the commissioner, provided such licensee  
8 may not use its legal name if the commissioner disapproves use of such  
9 name. No licensee shall use any name or address other than the name  
10 and address specified on the license issued by the commissioner. A  
11 licensee may change the name of the licensee or the address of the office  
12 specified on the most recent filing with the system if [ ] (1) at least thirty

13 calendar days prior to such change, the licensee files such change with  
14 the system and, in the case of a change to the legal name of the licensee,  
15 provides to the commissioner a bond rider [, endorsement or  
16 addendum, as applicable] to the surety bond on file with the  
17 commissioner that reflects the new legal name of the licensee, and (2)  
18 the commissioner does not disapprove such change, in writing, or  
19 request further information within such thirty-day period."

20 Strike section 25 in its entirety and substitute the following in lieu  
21 thereof:

22 "Sec. 25. (NEW) (*Effective October 1, 2025*) (a) As used in this section,  
23 "mortgage lender" and "shared appreciation agreement" have the same  
24 meanings as provided in section 36a-485 of the general statutes.

25 (b) Any mortgage lender that is required to be licensed pursuant to  
26 sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a  
27 and 36a-534b of the general statutes and offers to make a shared  
28 appreciation agreement shall, not later than three business days after the  
29 prospective borrower under such proposed agreement submits an  
30 application to such mortgage lender for such proposed agreement,  
31 disclose to such prospective borrower, in writing:

32 (1) The following statement, which shall be clear, conspicuous and in  
33 at least twelve-point font: "You are not required to complete this  
34 agreement merely because you have received these disclosures or have  
35 signed a loan application. If you obtain this loan, the lender will have a  
36 mortgage and shared interest in your home. You could lose your home,  
37 and any money you have put into it, if you do not meet your obligations  
38 under the loan. You may wish to consult an attorney.";

39 (2) Financial information relevant to the proposed shared  
40 appreciation agreement, including, but not limited to, whether such  
41 proposed agreement is terminated through repayment, which  
42 repayment may include the mortgage lender's receipt of some or all of  
43 the proceeds from a sale of the dwelling or residential real estate that is

44 the subject of such proposed agreement if such proposed agreement is  
45 terminated by such sale;

46 (3) Agreement and transaction details for the proposed shared  
47 appreciation agreement, including, but not limited to, the mortgage  
48 lender's contact information, the transaction amount, the sum of cash to  
49 be paid to the prospective borrower, the starting value for appreciation  
50 sharing, the term of the proposed agreement and the estimated current  
51 fair market value of the dwelling or residential real estate that is the  
52 subject of such proposed agreement;

53 (4) The method of determining the current fair market value of the  
54 dwelling or residential real estate that is the subject of the proposed  
55 shared appreciation agreement;

56 (5) The method of determining the final value of the dwelling or  
57 residential real estate that is the subject of the proposed shared  
58 appreciation agreement upon termination of such proposed agreement;

59 (6) The interest charged, if applicable;

60 (7) The limit of the mortgage lender's share of appreciation or equity  
61 in the dwelling or residential real estate that is the subject of the  
62 proposed shared appreciation agreement;

63 (8) An advisory that the prospective borrower consult such  
64 borrower's tax advisor on the potential tax implications of the proposed  
65 shared appreciation agreement;

66 (9) Repayment examples for the proposed shared appreciation  
67 agreement based upon, at minimum:

68 (A) Settlement of such proposed agreement after five years, ten years,  
69 fifteen years and thirty years, in each case up to the maximum term of  
70 such proposed agreement; and

71 (B) (i) No change in the market value of the dwelling or residential  
72 real estate that is the subject of such proposed agreement, and (ii)

73 changes in the market value of the dwelling or residential real estate that  
74 is the subject of such proposed agreement (I) at the rate of ten per cent  
75 total depreciation over the term of such proposed agreement, (II) at the  
76 rate of three and one-half per cent total appreciation over such term, (III)  
77 at the rate of five and one-half per cent total appreciation over such term,  
78 and (IV) reflecting the actual average rate of appreciation or  
79 depreciation for all dwellings or residential real estate in this state  
80 during the period that is equal to the term of such proposed agreement  
81 and that occurred immediately prior to such term; and

82 (10) The following information and corresponding calculations for  
83 the proposed shared appreciation agreement, if applicable:

84 (A) The calculated appreciation amount;

85 (B) The appreciation-based charge;

86 (C) The accrued or charged interest;

87 (D) The principal amount to be repaid;

88 (E) The mortgage lender's total calculated share of appreciation or  
89 equity;

90 (F) Any limit to the mortgage lender's share of appreciation or equity;  
91 and

92 (G) For each of the repayment scenarios specified in subdivision (9)  
93 of this section:

94 (i) The actual amount of money to be paid by the prospective  
95 borrower to the mortgage lender, inclusive of any unconditional  
96 administrative fees or reimbursement of protective advances that are  
97 required to be paid at the time of the settlement of such proposed  
98 agreement; and

99 (ii) The total cost to the prospective borrower expressed as an annual  
100 percentage rate, to allow the prospective borrower to compare, under

101 each such repayment scenario, the cost at the time of the settlement of  
102 such proposed agreement with the cost of a traditional mortgage loan."

103 Strike section 27 in its entirety and substitute the following in lieu  
104 thereof:

105 "Sec. 27. Subsection (b) of section 36a-719h of the general statutes is  
106 repealed and the following is substituted in lieu thereof (*Effective October*  
107 *1, 2025*):

108 (b) No mortgage servicer shall fail to establish, enforce and maintain  
109 policies and procedures reasonably designed to achieve compliance  
110 with subsection (a) of this section, and no [qualifying] qualified  
111 individual or branch manager for such mortgage servicer shall fail to  
112 enforce such policies and procedures. No violation of this subsection  
113 shall be found unless the mortgage servicer, [qualifying] qualified  
114 individual or branch manager's failure to establish, enforce or maintain  
115 policies and procedures resulted in conduct in violation of sections 36a-  
116 715 to 36a-724, inclusive, as amended by this act, or rules or regulations  
117 adopted under said sections or any other state or federal law, including  
118 the rules and regulations thereunder, applicable to any business  
119 authorized or conducted under said sections."