



# House of Representatives

General Assembly

**File No. 111**

February Session, 2026

House Bill No. 5317

*House of Representatives, March 23, 2026*

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 DEFINING "MORTGAGE LOAN" FOR PURPOSES OF CERTAIN NOTICE PROVISIONS RELATING TO FLOOD DAMAGE AND INSURANCE.***

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

1 Section 1. Section 49-7b of the 2026 supplement to the general statutes  
2 is repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2026*):

4 (a) For purposes of this section, "mortgage loan" means a loan that is  
5 (1) secured by a first mortgage on one-to-four-family residential real  
6 property located in this state, and (2) made for the purpose of financing  
7 the purchase of such property.

8 ~~[(a)]~~ (b) Not later than ten days prior to the date of the closing in a  
9 mortgage loan transaction, each creditor, as defined in section 49-6a,  
10 shall notify the mortgage loan applicant, in writing, that: (1) Standard  
11 homeowners insurance policies do not cover flood damage and related  
12 losses; (2) flood damage to property may occur regardless of whether

13 the real property is located in a designated flood zone; and (3) the  
14 applicant may wish to consult a licensed insurance producer or surplus  
15 lines broker concerning the availability and benefits of obtaining flood  
16 insurance.

17 [(b)] (c) The notice required by subsection [(a)] (b) of this section shall  
18 be written in plain language and signed and dated by the mortgage loan  
19 applicant to acknowledge receipt of such notice. Each creditor shall keep  
20 and maintain a copy of such notice with the mortgage loan applicant's  
21 mortgage records.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	49-7b

**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.*

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

The bill limits flood notice requirements to mortgage loan applicants for only certain types of mortgages. This has no fiscal impact to the state or municipalities as they are not parties to mortgage loans.

**OLR Bill Analysis****HB 5317*****AN ACT DEFINING "MORTGAGE LOAN" FOR PURPOSES OF CERTAIN NOTICE PROVISIONS RELATING TO FLOOD DAMAGE AND INSURANCE.*****SUMMARY**

This bill narrows the circumstances under which a creditor must give a mortgage loan applicant a plain language notice about flood insurance. Current law requires creditors to do so at least 10 days before closing on any mortgage loan transaction. The bill limits this notice requirement to apply only when the mortgage loan application is to finance buying a one-to-four family residential real property that is secured by a first mortgage.

Creditors subject to the law, unchanged by the bill, include state or federal banks, credit unions, mortgage lenders, correspondent lenders, or other financial institutions.

By law, unchanged by the bill, the written notice must state that (1) standard homeowners' policies do not cover flood related losses, (2) flood damage can happen regardless of whether the property is in a designated flood zone, and (3) the applicant may want to consult an insurance producer or surplus lines broker about flood insurance availability and benefits.

EFFECTIVE DATE: July 1, 2026

**COMMITTEE ACTION**

Banking Committee

Joint Favorable

Yea 13    Nay 0    (03/10/2026)