

Legislative History for Connecticut Act

PA 17-233

HB7141

House	5689-5698	10
Senate	3098, 3105, 3107-3108	4
Banking	227-228, 231, 316, 417-419	7
		21

Transcripts from the Joint Standing Committee Public
Hearing(s) and/or Senate and House of Representatives
Proceedings

Connecticut State Library
Compiled 2018

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2017**

**VOL.60
PART 13
5329 - 5768**

/she
HOUSE OF REPRESENTATIVES

99
June 1, 2017

this beautiful room. So thank you very much, Mr.

Speaker. [Applause]

DEPUTY SPEAKER MORIN (28TH):

Thank you very much, Representative Staneski, and we warmly welcome you here. We hope you enjoy your day. I'm very envious. I have not had the opportunity to go downstairs because you won't talk long enough, so I have not been able to partake, but we're glad to welcome Milford to the House today. Thank you for coming.

Will the clerk please call Calendar No. 159.

CLERK:

On page 6, Calendar 159, Substitute House Bill No. 7141, AN ACT CONCERNING SECURED AND UNSECURED LENDING. Favorable report of the Joint Standing Committee on Banking.

DEPUTY SPEAKER MORIN (28TH):

Well, the fine Chairman of the Banking Committee, Representative Lesser.

REP. LESSER (100TH):

Good afternoon, Mr. Speaker. Mr. Speaker, I

/she
HOUSE OF REPRESENTATIVES

100
June 1, 2017

move acceptance of the Joint Committee's favorable report and passage of the bill.

DEPUTY SPEAKER MORIN (28TH):

The question is acceptance of the Joint Committee's favorable report and passage of the bill. Representative Lesser, you have the floor, Sir.

REP. LESSER (100TH):

Yes, thank you, Mr. Speaker. Mr. Speaker, the Clerk is in possession of an amendment, LCO 8212. I ask that the Clerk please call the amendment and that I be granted leave of the Chamber to summarize.

DEPUTY SPEAKER MORIN (28TH):

Will the Clerk please call LCO 8212, which will be designated House Amendment Schedule "A".

CLERK:

House Amendment Schedule "A", LCO No. 8212, offered by Representative Lesser, Senator Winfield, Representative Simanski.

DEPUTY SPEAKER MORIN (28TH):

The Representative seeks leave of the Chamber

/she
HOUSE OF REPRESENTATIVES

101
June 1, 2017

to summarize the amendment. Is there objection to summarization? Is there objection? Hearing none, Representative Lesser, you may proceed with summarization.

REP. LESSER (100TH):

Thank you, Mr. Speaker. Mr. Speaker, this is a strike-all amendment that, if adopted, would become the bill. I'll briefly gloss over some of the changes since Committee. One of them is to give the Commissioner additional powers to submit notices via email as opposed to certified mail. I believe that has been negotiated in consultation with licensees. It also makes some changes to the -- to various provisions related to mortgage banking and to lead generators. Mr. Speaker, I move adoption.

DEPUTY SPEAKER MORIN (28TH):

Will you remark further? Remark further on the amendment before us? Representative Simanski of the 62nd District, good afternoon, Sir.

REP. SIMANSKI (62ND):

Good afternoon, Mr. Speaker. I stand in strong

/she
HOUSE OF REPRESENTATIVES

102
June 1, 2017

support of this bill as amended, and this amendment, in fact, is a strike-all, so it becomes the bill. As the good Chairman said, this tightens the laws. It gives the Commissioner ability to go after deceptive and fraudulent acts within the various licensees in the financial community listed in this amendment. It also brings the banking industry into the 21st Century -- the Banking Department, rather, because it allows for licensing renewal online, and it does allow for electronic notification via email, which is good. It streamlines the process, so it's good for the Banking Department as well as the various licensees in the financial industry.

This iteration -- this amendment that we have here before us is now the result of many hours of negotiation between the Department of Banking and the financial services industry, and one of the big, big, major changes to this bill that we have here in front of us is Section 28 pertaining to mortgage servicers. And I would like to ask the Chairman, through you, Mr. Speaker, why was this section put

/she
HOUSE OF REPRESENTATIVES

103
June 1, 2017

into the bill -- into this amendment?

Through you, Mr. Speaker.

DEPUTY SPEAKER MORIN (28TH):

Representative Lesser.

REP. LESSER (100TH):

Thank you, Mr. Speaker. Through you, to the Honorable Ranking Member, first of all, I appreciate the gentleman's kind remarks. You know, my understanding is that there were a few bad acts by mortgage bankers in the state, and the Commissioner was looking to expand powers to go after licensed entities that had failed to supervise their staff. Now, in consultation with industry and the Department, we believe that this expanded authority is important, but there are kinks that still need to be worked out. And so my hope is that the language in the -- in Section 28 as amended allows those discussions to continue in a way that is both -- allows for strong enforcement powers, but also works for industry.

So through you, Mr. Speaker, I hope that

/she
HOUSE OF REPRESENTATIVES

104
June 1, 2017

answers the question.

DEPUTY SPEAKER MORIN (28TH):

Representative Simanski.

REP. SIMANSKI (62ND):

Thank you, Mr. Speaker. And it did answer my question. I think it's important for the Chamber to know that even though this section was put into the amendment, it was not in the original bill. It's not really new language because it was originally in the Lead Generators Bill that we passed in concurrence with the Senate last week. This language came out of that bill and is more appropriate put into this bill here because this bill addresses licensing for all financial services, and it more properly belongs in this bill.

The hours of negotiation between the financial services and the Banking Department were a result primarily of this Section 28 because the intent is to get to the evil person who does the dastardly deed, commits the fraud within the mortgage servicing industry, and we didn't think that this

/she
HOUSE OF REPRESENTATIVES

105
June 1, 2017

language really got to that specific person. The language here is more of a shotgun approach. It aims at the people in the entire community, whereas the Connecticut Bankers Association would like the language more restricted. After hours and hours of negotiation, we decided that this language is appropriate, but we still want to see the negotiations continue between the Banking Department and the Connecticut Bankers Association to refine the language and to make it more pertinent to identifying that one specific individual who we want to address.

So through you, Mr. Speaker, to the Chairman of the Banking Committee, what are we doing to ensure that the negotiations continue between the Department of Banking and the Connecticut Banking Association?

Through you, Mr. Speaker.

DEPUTY SPEAKER MORIN (28TH):

Representative Lesser.

REP. LESSER (100TH):

/she
HOUSE OF REPRESENTATIVES

106
June 1, 2017

Thank you, Mr. Speaker. Through you, to the Honorable Ranking Member, I think the answer is in Section 28. We pushed out the effective date of that section to encourage discussions to go forward.

DEPUTY SPEAKER MORIN (28TH):

Representative Simanski.

REP. SIMANSKI (62ND):

Thank you, Mr. Speaker. And I agree with the Chairman, and I thank him for coming up with the idea to extend the time for this to become in effect for a year so the negotiations can continue, we can come up with language that is absolutely right for the banking industry, and I would urge all my members to support this bill as amended. Thank you, Mr. Speaker.

DEPUTY SPEAKER MORIN (28TH):

Thank you, Representative Simanski. Will you remark further? Will you remark further on the amendment before us? If not, I will try your minds. All those in favor, please signify by saying aye.

REPRESENTATIVES:

/she
HOUSE OF REPRESENTATIVES

107
June 1, 2017

Aye.

DEPUTY SPEAKER MORIN (28TH):

All those opposed, nay. The ayes have it. The
(Gavel) amendment is adopted. Will you remark
further on the bill as amended? Will you remark
further on the bill as amended? Yes, Representative
Lesser.

REP. LESSER (100TH):

Thank -- thank you, Mr. Speaker. Mr. Speaker,
the bill as amended, it does what my Honorable
Ranking Member said earlier, and it provides
consistent enforcement powers across multiple
license types as well as provide increased
consistency for prohibited practices across the
same. It's a good bill, ought to pass, and thank
the Chamber for adopting the amendment.

DEPUTY SPEAKER MORIN (28TH):

Will you remark further? Will you remark
further? If not, will staff and guests please come
to the well of the House. Members, please take your
seats. The machine will be open. (Ringing)

/she
HOUSE OF REPRESENTATIVES

108
June 1, 2017

CLERK:

The House of Representatives is voting by roll.

Members to the Chamber. The House of
Representatives is voting by roll. Members to the
Chamber.

DEPUTY SPEAKER MORIN (28TH):

Have all the members voted? Have all the
members voted? Will members please check the board
to determine if your vote is properly cast. If all
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 7141 as amended by House "A":

Total Number Voting	149
Necessary for Passage	75
Those Voting Yea	146
Those Voting Nay	3
Absent and Not Voting	2

DEPUTY SPEAKER MORIN (28TH):

The bill as amended passes. Gavel)

S - 709

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2017**

**VOL .60
PART 8
2691 - 3108**

nh
Senate

242
June 7, 2017

Thank you, Madam President. I need to first some markings please.

THE CHAIR:

Please proceed sir.

SENATOR DUFF (25TH):

On our consent calendar, I need to remove Calendar Page 13, Calendar 366, House Bill 7066 because that was already on our consent calendar before. I would like to add Calendar Page 32, Calendar Page 32, Calendar 576, House Bill 7141. I'm sorry, please disregard that. Senate stand at ease please.

THE CHAIR:

The senate will stand at ease. Senator Duff.
Senator Duff.

SENATOR DUFF (25TH):

Thank you, Madam President. Madam President, again I would like to add Calendar Page 32, Calendar 576, House Bill 7141 on our consent calendar.

THE CHAIR:

Seeing no objections, so ordered sir.

SENATOR DUFF (25TH):

Thank you, Madam President, and if I could remove Calendar Page 28, Calendar 557, House Bill 7256,

nh
Senate

249
June 7, 2017

Thank you, Madam President. For two items for our consent calendar.

THE CHAIR:

Please proceed.

SENATOR DUFF (25TH):

Thank you, Madam President, On Senate Agenda number two, substitute for Senate Bill 991. Place that item on our consent calendar?

THE CHAIR:

Seeing no objection.

SENATOR DUFF (25TH):

Will the Senate stand at ease?

THE CHAIR:

Senate will stand at ease.

SENATOR DUFF (25TH):

Madam President, I'd like to add Calendar Page 32, Calendar 576, House Bill 7141 to our consent calendar.

THE CHAIR:

Seeing no objections, so ordered.

SENATOR DUFF (25TH):

nh
Senate

251
June 7, 2017

THE CHAIR:

Mr. Clerk, on the consent calendar please.

CLERK:

Senate Bill No. 991, on Page 24, Calendar 490, House
Bill 5140; Page 32, Calendar 576, House Bill 7141.

THE CHAIR:

Mr. Clerk will you call for a roll call vote and the
machine will be open on the third consent calendar.

CLERK:

Immediate roll call has been ordered in the Senate
on consent calendar number three. Immediate roll
call has been ordered in the Senate.

THE CHAIR:

Senator Formica. Senator Fasano. Senator Bye,
please. Senator Fonfara. If all members have
voted? All members have voted? The machine will be
closed. Mr. Clerk, will you call the tally?

CLERK:

On Consent Calendar Number Three.

Total number Voting	36
Necessary for Passage	19
Those voting Yea	36
Those voting Nay	0
Those absent and not Voting	0

nh
Senate

252
June 7, 2017

THE CHAIR:

Consent calendar passes. [Gavel] Senator Duff.
Senator Duff please.

SENATOR DUFF (25TH):

Thank you, Madam President. With plenty of time,
will the senate stand at ease please?

THE CHAIR:

Oh sure, Senate stand at ease. [Background
laughter]

THE CHAIR:

Senator Duff, you got some good news for us?

SENATOR DUFF (25TH):

Thank you, Madam President. I think we've had a
very successful session. I move that we adjourn
Sine Die.

(On the motion of Senator Duff of the 25th, the
Senate at 11:58 p.m. adjourned Sine Die.)

**JOINT
STANDING
COMMITTEE
HEARINGS**

**BANKING
1 – 447**

**2017
INDEX**

mortgage broker license scheme than a lead generator could actually even obtain to function in their business. So what this does, is it kind of pulls those lead generators out of that, creates a new regulatory structure for them, and it also covers persons who are performing marketing services related to residential mortgage loans, like on-line marketers and direct response advertisers.

The department believes that ensuring good business practices through licensure and the corresponding regulatory authority is a protection that consumers deserve, so basically creating this new sort of schematic business friendly because it's allowing the lead generators to operate under less burdensome conditions than they would under the mortgage broker license and it's providing additional protections for consumers. I'm happy to answer any questions midstream or if you want to wait until after everything. I defer to the Committee on their preference.

SENATOR MARTIN (31ST): No, go ahead and continue, Matt. Thank you

HB7141

HB7143

MATT SMITH: Okay. Thank you. The second bill is another department bill and it is House Bill 7141, AN ACT CONCERNING SECURED AND UNSECURED LENDING. This proposal, the Committee is well aware, was -- it came out of Consumer Credit Division and it is geared toward increasing efficiencies within the agency and reducing regulatory burden on our licensees. As we are all aware, the department's original proposal was more comprehensive and we do appreciate the Committee's efforts in bringing forth the most essential changes currently outlined in this bill.

We do have some concerns with how it's written. We think that there are points where the effort was

PUBLIC HEARING

very clear, but we need to make some clarifying changes, more technical in nature, specifically around language in regard to the pre-licensure and continuing education portions of the bill and on the prohibition of failure to supervise provision. We believe that these concerns, which again, are more technical in nature, can be addressed as we continue to work together to improve the bill. We're happy to forward our suggestions over to the Committee on how we think this interacts with the current bill and the other statutes that affect our licensees.

So moving on to the third bill, this is the final department bill before you today, is House Bill 7143. It is AN ACT ESTABLISHING FINES UNDER THE CONNECTICUT UNIFORM SECURITIES ACT FOR DISHONEST AND UNETHICAL PRACTICES. So the Department of Banking not only regulates banks and mortgage companies and non-mortgage companies, but we are also the regulatory authority for securities, broker dealers, investment advisors, and the like.

During the course of our regulatory practices, the department encounters actors who engage in dishonest or unethical conduct within the security and commodities business. Some such behaviors that we've encountered include making unsuitable investments, performing unauthorized trades, or trading unnecessarily. What I mean by that is they'll make a trade just to earn a commission, but it really doesn't benefit the investor at all. Under the Connecticut Uniform Securities Act, the commissioner sanctions these individuals largely through cease and desist orders with no ability to administer fines.

This proposal would authorize the commissioner to impose such administrative fines. The department believes that this proposal will help curtail this

This legislation is designed to help those people who live in a low or fixed income avoid future penalization because of their financial hardships. Individuals experiencing financial distress are often very vulnerable, sometimes becoming victims of predatory lenders who target these exact individuals. The Department of Banking often sees these kinds of cases and urges the support of this proposal. The department and the governor look forward to working with the committee and industry stakeholders to best aid some of our most vulnerable residents in overcoming economic hurdles once they begin to climb to a better future. Thank you, Chairman.

REP. LESSER (100TH): Thank you for that. I do want to thank you for your testimony and for the close collaboration we've received from the Department of Banking with this committee and I appreciate it and hope it continues going forward. Regarding your testimony on House Bill 7141, which was the department's main proposal, I take to heart that we might have some work to do going forward to clean up some technical aspects, as well as appreciate your input on some of the more procedural issues. As you, I think, are well aware, we received a lengthy proposal from the department and working through it, in the time line of the legislative calendar, the legislative session is difficult and we'll do the best we can working with our legislative commission and staff, but I appreciate your willingness to work with us and thank you for your comments.

SB 906

Regarding the lead generator bill, are there major changes that we should be aware of from previous proposals from the department?

MATT SMITH: Not particularly major changes. It's pretty -- this was a proposal that was put forth

PUBLIC HEARING

appreciate it. Next up, we have Rafie Podolsky and Rafie will be followed by Louise Dicocco.

RAPHAEL PODOLSKY: Thank you, Chairman, members of the Committee. My name is Raphael Podolsky. I'm a lawyer with the Connecticut Legal Services and I'm here to speak in support -- in regard to a number of bills. In my written testimony, which I've stated support for House Bills No. 7031, 7149, 7030, 7142, and Senate Bill 799. My written testimony also covers Senate Bill 162, where we recommend that you make the foreclosure mediation program permanent and it requests a small amendment in House Bill 7141. I also have to apologize to the Committee because somehow incredibly I failed to include House Bill 7162 in my written testimony. I'd like to state that I support it and I will file amended testimony on that so that you'll have it for the record.

In the time that I have, what I wanted to do is focus on House Bill 7031, which is the one that deals with exemption of wages and bank accounts for which you've had a lot of testimony so far. I guess I wanted to try to address a couple of basic elements about it. First question that came up repeatedly was whether wages, in fact, retained their exemption when they're deposited in the bank account and what I want you to know is it is a general rule, monies of that sort do retain their exemption when they go into the bank.

For example, there's no question that Social Security, veteran's benefits, unemployment compensation, child support, all of those funds when they are put into a bank, whether by direct deposit or not, remain exempt funds. Sometimes it may be difficult to identify them, which is a separate question, how you identify that those funds are from a particular source, but that is the general rule.

Pg 11 #11

**CONNECTICUT LEGAL SERVICES**

A PRIVATE NONPROFIT CORPORATION

16 MAIN STREET, 2ND FLOOR, NEW BRITAIN, CT 06051

TELEPHONE (860) 225-8678

FAX (860) 225-6105

PUBLIC POLICY ADVOCATE

RAPHAEL L. PODOLSKY

DIRECT LINE:

(860) 616-4472

CELL: (860) 836-6355

EMAIL: RPODOLSKY@CONN

LEGALSERVICES.ORG

CLS ADMINISTRATIVE OFFICE

62 WASHINGTON STREET

MIDDLETOWN, CT 06457

(860) 344-0447

KEVIN J. RASCH

BOARD CHAIR

STEVEN D. EPPER-EPSTEIN

EXECUTIVE DIRECTOR

ANNE LOUISE BLANCHARD

LITIGATION AND ADVOCACY

DIRECTOR

CLS LAW OFFICES

211 STATE STREET

BRIDGEPORT, CT 06604

16 MAIN STREET

NEW BRITAIN, CT 06051

153 WILLIAMS STREET

NEW LONDON, CT 06320

20 SUMMER STREET

STAMFORD, CT 06901

85 CENTRAL AVENUE

WATERBURY, CT 06702

872 MAIN STREET

WILLIMANTIC, CT 06226

SATELLITE OFFICES

5 COLONY STREET

MERIDEN, CT 06451

98 SOUTH MAIN STREET

NORWALK, CT 06854

29 NAEK ROAD, SUITE 5A

VERNON, CT 06066

Testimony of Raphael L. Podolsky

Banking Committee public hearing

March 2, 2017

H.B. 7031 – Bank account executions**SUPPORT**

This bill, by inserting the words “paid or” in the definition of “earnings,” makes a small, quasi-technical, but very important clarification that all wages retain their exempt status when they are deposited into a bank account. That is because, at the time wages are deposited into the bank, they are no longer “payable” by the employer but rather have been “paid” by the employer. Explicit exempt wage-protection legislation has been passed by the General Assembly as recently as 2014 based on the assumption that exempt wages remain exempt after deposit. Indeed, it has long been established that funds that are exempt from creditors retain their exempt status when they are deposited into the recipient’s bank account. Social Security, veterans’ benefits, and child support payments are obvious examples. So, too, is the exempt portion of wages earned by an employee (40 times the minimum wage or 75% of income, whichever is larger). This exemption has been explicitly recognized in the Judicial Branch’s bank account exemption form since 2006. Indeed, since the passage of P.A. 14-9, the bank account execution statute has explicitly made it unnecessary for an employee to go through a court process to protect the first \$1,000 of directly-deposited wages. That statute thus made sure that the wages of all employees, if directly deposited, would benefit from the same state procedural protections as directly-deposited Social Security, veterans’ benefits, unemployment compensation, and child support.

Unfortunately, it turns out that there is a small wording ambiguity in one section of the statutes that led the Connecticut Supreme Court, in a recently released decision, to conclude that exempt wages are not protected at all once they go into a bank account. This is particularly ironic, because, with direct deposit so common, employees do not even have access to the exempt portion of their wages until after they are deposited into the bank. The change made by this bill makes clear that wages from any employer retain their exempt status when deposited into the employee’s bank account.

H.B. 7149 – Return to seniors of excess security deposits**SUPPORT**

Last year, Sections 37 and 38 of P.A. 16-65, a proposal originally submitted by the state Department of Banking as a separate bill, made changes to the Security Deposit Act, over which it has jurisdiction. The

Security Deposit Act limits security deposits for seniors to one month's rent. P.A. 16-65 deleted as redundant and unnecessary an additional sentence saying that, upon request, the landlord must return any amount above one month's rent. The removal of that sentence, however, creates an ambiguity as to whether this now allows the landlord to refuse the request of a tenant who has turned 62 for a partial refund of a two-month security deposit, thereby potentially creating two categories of senior tenants subject to two different maximum security deposit rules.

H.B. 7149 is not new. It restores the substance of the deleted sentence. It is my understanding both that a substantive change in the law was not intended when the sentence was deleted last year and that the Banking Department supports this restoration.

S.B. 162 – Extension of Foreclosure Mediation Program (FMP) MAKE THE FMP PERMANENT

The Foreclosure Mediation Program (FMP) was created in 2008 in response to the foreclosure crisis. The program partially levels the playing field between banks and homeowners by providing in-court mediation in foreclosures against owners of owner-occupied one- to four-family houses. The program has proved to be both an enormous success and a national model. The Judicial Branch recently reported that, since 2008, almost 26,000 cases have been mediated, that about 85% of those cases were settled through mediation, and that more than 80% of the settled cases resulted in the homeowner being able to stay in the home, largely through loan modifications. Preservation of homeownership is beneficial not only for the individual homeowner. It also helps shield communities from property abandonment and helps the lender avoid non-performing mortgages which harm its own financial status. The program is scheduled to sunset on June 30, 2019.

Although it was the foreclosure crisis that generated the program, there is no good reason to terminate the program at any time. While the number of cases requiring mediation may rise or fall as the economy changes (and the number of foreclosures still remains high), in-court mediation will remain essential to protect homeowners whenever they face a foreclosure. Connecticut's two other major in-court mediation systems – housing mediation for landlord-tenant cases and Family Relations Office mediation in family cases, both of which are highly successful and highly regarded – are long-standing, permanent parts of the judicial system and not based on the existence of a "crisis." The General Assembly has extended the FMP several times already. It is time to recognize that the need for the program is on-going, that the FMP has met all reasonable tests for success, and that it should be made permanent.

H.B. 7030 – Protection of utility customers

SUPPORT

This bill repeals the authorization for utility companies to submit customer delinquencies to credit rating agencies. Utility services are a basic necessity, and Connecticut has long recognized that households with very low income will have great difficulty in maintaining utility service year-round. This has led to statutes and programs designed to mitigate the reality that many households cannot afford this necessity. The State has programs

for arrearage forgiveness and for limited assistance in paying bills, but the core of the State's public policy is contained in the statutes that prohibit or restrict shut-offs for hardship cases during the winter and for those with serious illness. The underlying message is that, for very low-income households, full payment of utility bills is often unaffordable and the state will not allow health- and life-threatening shutoffs to occur under those circumstances. Credit reporting of such non-payments seriously complicates the life of low-income householders because of the collateral impact on jobs, housing, transportation, and many other aspects of life. The impact on improving utility collections is at best minimal and is far outweighed by their negative consequences. Indeed, a recent utility company pilot program on credit reporting has been pulled back because of extensive opposition. This bill removes the authority for such reporting.

H.B. 7141 – Small loan interest rate

REMOVAL OF BRACKETS IN L. 402-403

Section 6 of this bill (lines 396 to 403) amends the part of the Small Loan Act that sets the maximum interest rate on loans from licensed small loan companies. The existing statute requires that the maximum interest rate for loans be "as calculated" under the federal Military Lending Act (MLA), which limits the interest that can be charged to persons in the military. Lines 402-403 of the bill delete the reference to the MLA for loans between \$5,000 and \$15,000. This would apparently allow the use of other methods for calculating interest. The cross-reference to the MLA was placed in the Small Loan Act last year, however, because the MLA requires that all credit-related fees and add-on products (such as origination fees, credit insurance, debt cancellation contracts, etc.) be included in the interest rate. Consumer finance companies that offer longer term installment loans are known to push various add-on products that, if not included in the disclosed interest rate, would obscure the true rate or would result in loans over the legal maximum. Removal of the brackets in lines 402 and 403 would keep the existing protection in place.

H.B. 7142 – Sale of tax liens and eligibility for EMAP

SUPPORT

This bill prohibits towns from selling tax and similar municipal liens if the amount in arrears is less than \$3,000. It also regulates the foreclosure process used by entities that have purchased tax liens, including the notice given to the property owner and other lienholders and the remedies available to the property owner against unfair trade practices, and it requires that each aspect of foreclosure by a tax lien buyer be commercially reasonable. H.B. 7142 also makes the foreclosure of tax and similar liens eligible for the Emergency Mortgage Assistance Program (EMAP). EMAP is the state program that provides interim financial assistance through secured loan to homeowners facing foreclosure. We support all of these changes in the law, and especially the inclusion of tax foreclosures in EMAP.

S.B. 799 – Interest rate on municipal tax liens

SUPPORT

This bill reduces the interest rate on tax liens sold or assigned by towns to 6%. It does not change the interest rate on liens that the town retains for collection. The bill recognizes the