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Interest on Funds Held in Escrow by Mortgagees

Interest on Funds Held in Escrow by Mortgagees

Secs. 49-2a-1—49-2a-2.
Repealed, March 30, 2007.

Sec. 49-2a-3.
Repealed, May 4, 1998.

Secs. 49-2a-4—49-2a-5.
Repealed, March 30, 2007.

Sec. 49-2a-6.
Repealed, May 4, 1998.

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Payment of Interest on Funds in Escrow by Mortgagees

Payment of Interest on Funds in Escrow by Mortgagees

Sec. 49-2b-1. Definitions

As used in sections 49-2b-1 to 49-2b-4, inclusive, of the Regulations of Connecticut State Agencies:

(1) ''Annual rate'' means the rate of interest used by a mortgagee to determine the amount owed to a mortgagor pursuant to subsection (a) of section 49-2a of the Connecticut General Statutes;

(2) ''Insurance premiums'' means premiums on a policy of fire, casualty, property liability, flood or other hazard insurance or homeowner's insurance applicable with respect to mortgaged property located in this state;

(3) ''Mortgaged property'' means real property that is used as security for repayment of a loan or extension of credit;

(4) ''Mortgagee'' means any grantee of a mortgage, including the successors and assigns of such grantee, or any mortgage servicing company, required pursuant to section 49-2a of the Connecticut General Statutes to pay interest on funds of a mortgagor held in escrow for the payment of taxes and insurance premiums;

(5) ''Mortgagor'' means any individual who is a grantor of a mortgage encumbering property located within this state that is owner-occupied residential property consisting of not more than four living units and housing cooperatives occupied solely by the housing cooperative shareholders; and

(6) ''Taxes'' means property taxes on mortgaged property located in this state.

(Adopted effective March 30, 2007)

Sec. 49-2b-2. Minimum interest calculation

The minimum monthly amount of interest credited to funds of a mortgagor held in escrow by a mortgagee for payment of taxes and insurance premiums may be determined by multiplying either the actual average daily balance as of the day of the month corresponding to the date set by the mortgagee for the payment by the mortgagor of funds to be held in escrow by the mortgagee or the actual average daily balance for the month by the quotient obtained by dividing the annual rate by twelve. The annual rate shall not be less than the minimum required by section 49-2a of the Connecticut General Statutes. Any other method of computation may be employed as long as it does not result in less than the minimum monthly amount of interest determined in accordance with this section.

(Adopted effective March 30, 2007)

Sec. 49-2b-3. Payment of interest upon final repayment of mortgage

If the mortgage debt is paid prior to December thirty-first, the mortgagee shall promptly pay to the mortgagor any interest remaining as a credit to the escrow account of the mortgagor, computed to the date of final repayment of the mortgage debt.

(Adopted effective March 30, 2007)

Sec. 49-2b-4. Annual report of interest credited by mortgagee

Not more than thirty days after each December thirty-first, the mortgagee shall report to the mortgagor the amount of interest credited to the escrow account of the mortgagor during the year ending and including each December thirty-first. The mortgagee may use for this purpose the Department of Treasury Internal Revenue Service Form 1099-INT, which may be obtained by calling 1-800-TAX-FORM (1-800-829-3676) or by accessing the Internal Revenue Service's web site at http://www.irs.ustreas.gov/. In the alternative, the mortgagee may use any acceptable substitute form that complies with the requirements of 26 CFR 1.6049-6 and Internal Revenue Service Publication Form 1179.

(Adopted effective March 30, 2007)

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Protection from Mortgage Foreclosure

Protection from Mortgage Foreclosure

Sec. 49-31j-1. Definitions

As used in sections 49-31j-1 to 49-31j-5, inclusive, of the Regulations of Connecticut State Agencies:

(1) ''Additional principal'' means the sum added to the existing principal balance by the court pursuant to subsection (a) of section 49-31i of the Connecticut General Statutes;

(2) ''Existing principal balance'' means the principal balance of the mortgage debt due the lender as of the entry date of the court ordered restructuring of the mortgage debt;

(3) ''Homeowner'' means ''homeowner'' as defined in section 49-31d of the Connecticut General Statutes;

(4) ''Lender'' means ''lender'' as defined in section 49-31d of the Connecticut General Statutes;

(5) ''Original mortgage interest rate'' means the interest rate set forth in the mortgage note. If the mortgage note provides for a different rate of interest after default or after judgment, those provisions shall not apply;

(6) ''Prevailing interest rate'' means the most recent ''National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders'' made available by the Federal Housing Finance Board not less than fifteen nor more than forty-five days prior to the entry of the court ordered restructuring of the mortgage debt;

(7) ''Person who is underemployed'' means an ''underemployed person'' as defined in section 49-31d of the Connecticut General Statutes;

(8) ''Person who is unemployed'' means an ''unemployed person'' as defined in section 49-31d of the Connecticut General Statutes; and

(9) ''Protection from foreclosure'' means ''protection from foreclosure'' as defined in section 49-31d of the Connecticut General Statutes.

(Effective August 27, 1984; amended February 9, 2009)

Sec. 49-31j-2. Notice

Without limiting the sufficiency of other forms of notice, it shall be sufficient for a lender to give notice to a homeowner of the availability of the protection from foreclosure provisions of sections 49-31d to 49-31i, inclusive, of the Connecticut General Statutes by inserting language that reads substantially as follows in capital letters at the end of the foreclosure complaint immediately following the prayers for relief:

''Notice: A person who is underemployed or unemployed and who has for a continuous period of at least two years prior to the commencement of this foreclosure action owned and occupied the property being foreclosed as such person's principal residence, may be entitled to certain relief provisions under sections 49-31d to 49–31i, inclusive, of the Connecticut General Statutes. You should consult an attorney to determine your rights under sections 49-31d to 49-31i, inclusive, of the Connecticut General Statutes.''

(Effective August 27, 1984; amended February 9, 2009)

Secs. 49-31j-3—49-31j-4.

Repealed, February 9, 2009.

Sec. 49-31j-5. Composite interest rate

The composite interest rate for the new mortgage debt shall be a combination of the original mortgage interest rate and the prevailing interest rate and shall be calculated as follows:

(1) The original mortgage interest rate shall be multiplied by a fraction, the numerator of which shall be the existing principal balance and the denominator of which shall be the existing principal balance plus the additional principal.

(2) The prevailing interest rate shall be multiplied by a fraction, the numerator of which shall be the additional principal and the denominator of which shall be the existing principal balance plus the additional principal.

(3) The sum of subdivisions (1) and (2) of this section, rounded to the nearest one-eighth of one per cent, shall be the composite interest rate.

(Effective August 27, 1984; amended February 9, 2009)

Secs. 49-31j-6—49-31j-9.

Repealed, February 9, 2009.