



# HOUSING BULLETIN



**CONNECTICUT CONFERENCE OF MUNICIPALITIES**

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August 11, 2009, No. 09-03

## **New Laws Expand Mortgage Help For Connecticut Homeowners Facing Foreclosure**

Three new laws provide measures that will allow more Connecticut families facing foreclosure to be able to get the financial help they need to stay in their homes: The Connecticut Housing Finance Authority (CHFA) will promulgate the laws.

- ⇒ Public Act 09-209, *An Act Concerning Implementation of the S.A.F.E. Mortgage Licensing Act*: which mandates the state's foreclosure-mediation process for all foreclosures that began after July 1.
- ⇒ Public Act 09-144, *An Act Concerning Neighborhood Protection*: which requires property owners facing foreclosure to register in the communities in which such foreclosures are taking place, or with the Mortgage Electronic Registration Systems (MERS). MERS is a process that simplifies the way mortgage "ownership and servicing rights are originated, sold and tracked". It was created by the real estate finance industry to streamline the mortgage process.
  - Under the law, owners of foreclosed properties must register with the town/city clerk or with the MERS. A \$100 fee is required to register with a municipality. Property owners provide personal contact information, as well as information on entities responsible for the security and maintenance of such properties.
  - P.A. 09-144 also prohibits towns and cities from enacting foreclosure-related measures other than prescribed in the law. Municipalities with existing ordinances are grandfathered in. **Those municipalities interested in passing a more stringent ordinance, should do so prior to October 1** (New Haven has such an ordinance, and CCM can provide you with a copy of it).
- ⇒ Public Act 09-219, *An Act Concerning the Emergency Mortgage Assistance Program (EMAP)*: eases the process for more borrowers to get hardship assistance, counseling and refinancing into more affordable 30-year fixed-rate mortgages.

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*This bulletin has been sent to all CCM-members Mayors First Selectmen and Town/City Managers.*



- The EMAP program is available to eligible homeowners who have fallen behind because of a temporary hardship. It provides a loan to bring delinquent mortgages up to date and monthly assistance if necessary. The new law allows CHFA to determine what constitutes a significant drop in the borrower's income and to broaden the definition of circumstances outside the homeowner's control. It also allows homeowners to apply for EMAP even before receiving a notice of foreclosure if they are 60 days or more delinquent on their mortgages.
- PA 09-219 also expands eligibility for the Connecticut Fair Alternative Mortgage Lending Initiative and Education Services (CT FAMLIES) from homeowners with adjustable-rate mortgages to homeowners with all types of mortgages. The program provides counseling, financial education and allows eligible borrowers to convert their loans into 30-year fixed-rate mortgages.

For questions or additional information, please contact CHFA's Customer Call Center at 860-571-3500 or Toll Free at 877-571-CHFA [2432] or by visiting the CHFA website at [www.chfa.org](http://www.chfa.org).

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If you have any questions regarding this bulletin please contact Donna Hamzy, Legislative Associate, at [dhamzy@ccm-ct.org](mailto:dhamzy@ccm-ct.org) or (203) 498-3000.