

House Republican Press Release

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Housing, Child Safety Issues Addressed By General Assembly



Capitol Commentary *By State Rep. Mary Ann Carson*

The legislature passed legislation to address several high profile issues this year, including the sub-prime mortgage crisis. Thousands of homeowners throughout the nation have defaulted on adjustable rate mortgages because they are unable to keep up with monthly payments that have skyrocketed in recent months.

As summarized by the non-partisan Office of Legislative Research (OLR), House Bill 5577, An Act Concerning Responsible Lending And Economic Security, would authorize the Connecticut Housing Finance Authority (CHFA) to continue the CT FAMILIES refinancing program and implement mortgage refinancing and emergency mortgage assistance programs. It would allow CHFA to develop and implement a program to purchase foreclosed Connecticut property and turn the property into supportive and affordable housing. The bill would require WorkPlace, Inc., in conjunction with the other regional workforce development boards and the one-stop centers, to establish a mortgage crisis job training program.

HB 5577 would require the establishment of a foreclosure mediation program in each judicial district and a number of requirements for mortgage loans (mainly for nonprime loans) and for mortgage professionals making those loans. It would prohibit lenders from making nonprime home loans unless they reasonably believe, when the loan is consummated, that one or more of the people who are incurring the debt will be able, individually or collectively to make the scheduled payments and pay the related taxes and insurance. Lenders would also be required to terminate foreclosure proceedings or other actions if all defaults in connection with a nonprime loan are cured before a judgment is entered. The lender could require the borrower to pay any of its reasonable actual costs associated with the default and protecting its rights in the property.

It would also make a number of additional regulatory changes, including increasing bond requirements for lenders and brokers. It also makes a number of changes to the National Mortgage Licensing requirements. Finally, the legislation establishes a commission on nontraditional loans and home equity lines of credit. The bill was given final legislative approval by the State Senate on May 7 and now goes to Governor M. Jodi Rell for final approval.

Concerns over potential hazardous chemical compounds contained in children's products are addressed in House Bill 5650, An Act Concerning Child Product Safety, which also awaits final approval from Gov. Rell.

The legislation would establish limits for lead in children's products by amending the State Child Protection Act. With certain exceptions, it would make children's products that fail to comply with the limits banned hazardous substances. It would also prohibit the sale of toys or other articles marketed for children under age 16 that contain asbestos.

The bill would require retailers and other businesses selling a banned hazardous substance to complete a certificate of disposition to account for its disposal. It would require the Department of Consumer Protection (DCP) to post on the department's website a list of toys and other articles intended for use by children that are banned hazardous substances. DCP would also be required to consult with the departments of Public Health (DPH) and Environmental Protection (DEP) to compile a list of other toxic substances and safer alternatives.

I look forward to providing details of additional bills that moved through the process in the weeks to come.

Editors Note: State Representative Mary Ann Carson represents Kent, New Fairfield, New Milford and Sherman in the Connecticut General Assembly.