

# HB0094S01 compared with HB0094

~~text~~ shows text that was in HB0094 but was deleted in HB0094S01.

text shows text that was not in HB0094 but was inserted into HB0094S01.

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Representative Walt Brooks proposes the following substitute bill:

## REVERSE MORTGAGE AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Walt Brooks**

Senate Sponsor: \_\_\_\_\_

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### LONG TITLE

#### General Description:

This bill makes changes to reverse mortgage requirements.

#### Highlighted Provisions:

This bill:

- ▶ eliminates the age requirement for a reverse mortgage borrower;
- ▶ changes the deadline for a prospective borrower to meet with an independent housing counselor from before signing a reverse mortgage application to before closing on a reverse mortgage; ~~and~~
- ▶ eliminates the requirement for a seven-day cooling off period~~;~~
- ▶ provides that certain prerequisites for initiating foreclosure proceedings do not apply if the borrower is deceased; and
- ▶ makes technical and conforming changes.

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### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

#### AMENDS:

**57-28-202**, as enacted by Laws of Utah 2015, Chapter 290

**57-28-204**, as enacted by Laws of Utah 2015, Chapter 290

**57-28-304**, as last amended by Laws of Utah 2016, Chapter 305

#### REPEALS:

**57-28-207**, as enacted by Laws of Utah 2015, Chapter 290

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **57-28-202** is amended to read:

**57-28-202. Borrower requirements.**

A borrower shall ~~[(1)]~~

~~[(1) be 62 years of age or older, and (2)]~~

~~[(2)]~~ occupy the dwelling that secures the reverse mortgage as a principal residence.

Section 2. Section **57-28-204** is amended to read:

**57-28-204. Independent counseling.**

(1) Before a prospective borrower ~~[signs]~~ closes on a reverse mortgage ~~[application]~~, the prospective borrower shall meet with an independent housing counselor.

(2) During the meeting described in Subsection (1):

(a) the prospective borrower and the independent housing counselor shall discuss the financial impacts of a reverse mortgage, including:

(i) options other than a reverse mortgage that are or may become available to the prospective borrower;

(ii) other home equity conversion options that are or may become available to the prospective borrower, including sale-leaseback financing, a deferred payment loan, and a property tax deferral; and

(iii) the financial implications, specific to the prospective borrower, of entering into a

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reverse mortgage; and

(b) the independent housing counselor shall give the prospective borrower a written disclosure that states that a reverse mortgage may:

(i) have tax consequences;

(ii) affect the prospective borrower's eligibility for assistance under certain state and federal programs; and

(iii) impact the prospective borrower's estate and heirs.

Section 3. Section 57-28-304 is amended to read:

57-28-304. Foreclosure.

(1) ~~Before~~ Except as provided in Subsection (2), before a person initiates foreclosure proceedings on a reverse mortgage, the person shall:

~~(1)~~ (a) send the borrower, by certified mail, return receipt requested, written notice that states the grounds for default and foreclosure; and

~~(2)~~ (b) provide the borrower at least 30 days after the day on which the person sends the notice described in Subsection ~~(1)~~ (1)(a) to cure the borrower's default.

(2) This section does not apply if the borrower is deceased.

Section ~~33~~4. **Repealer.**

This bill repeals:

Section 57-28-207, **Cooling off period -- Closing.**