

# HB0094S03 compared with HB0094

~~{deleted text}~~ shows text that was in HB0094 but was deleted in HB0094S03.

inserted text shows text that was not in HB0094 but was inserted into HB0094S03.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Todd D. Weiler proposes the following substitute bill:

## REVERSE MORTGAGE AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Walt Brooks**

Senate Sponsor: ~~{\_\_\_\_\_}~~ Don L. Ipson

---

### LONG TITLE

#### General Description:

This bill makes changes to reverse mortgage requirements.

#### Highlighted Provisions:

This bill:

- ▶ ~~{eliminates}~~ amends 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 from seven days to five days;

- ▶ provides that certain prerequisites for initiating foreclosure proceedings do not apply if the borrower is deceased; and

## HB0094S03 compared with HB0094

▶ makes technical and conforming changes.

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

#### {REPEALS:

~~{~~ ~~{57-28-207}~~ **57-28-304**, as ~~{enacted}~~ last amended by Laws of Utah ~~{2015}~~ 2016,  
Chapter ~~{290}~~ 305

---

*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) be 62 years of age or older; and (2)}~~;

(1) (a) for a home equity conversion mortgage insured by the Federal Housing Administration under Title 1 of the National Housing Act, 12 U.S.C. Sec. 1715z-20, be 62 years [of age] old or older; and

(b) for proprietary loans not insured by the Federal Housing Administration, be 55 years old or older; and

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

Section 2. Section ~~{57-28-204}~~ **57-28-207** 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~~

## HB0094S03 compared with HB0094

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 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. **Repealer.**~~

~~—— This bill repeals:~~

~~‡ {Section }57-28-207{,}. **Cooling off period -- Closing.**~~

(1) After a prospective borrower accepts, in writing, a lender's written commitment to make a reverse mortgage, the lender may not bind the prospective borrower to the reverse mortgage earlier than [seven] five days after the day on which the prospective borrower gives the written acceptance to the lender.

(2) During the [seven-day] five-day period described in Subsection (1), the lender may not require the prospective borrower to close or otherwise proceed with the reverse mortgage.

(3) A prospective borrower may not waive the provisions of this section.

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

**57-28-304. Foreclosure.**

[Before]

(1) 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)(a) to cure the borrower's default.

**HB0094S03 compared with HB0094**

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