

**2011 STATE LEGISLATIVE TRACKING CHART – REVERSE MORTGAGES
NRMLA¹**

STATE	BILL	SUMMARY	BILL HISTORY
HAWAII	SB 1519	Provides that it is a prohibited practice pursuant to the Hawaii Secure and Fair Enforcement for Mortgage Licensing Act, 454F-17(18), Hawaii Revised Statutes to: “Originate a residential mortgage loan without consideration and documentation of the borrower's ability to repay the loan pursuant to its terms; provided that a borrower's ability to repay a loan shall be demonstrated through reasonably reliable documentation that may include payroll records, tax returns, bank records, asset and credit evaluations, mortgage payment history, and other similarly reliable documents.” However, this prohibition does <u>not</u> apply to a reverse mortgage insured as part of a government program, so long as the borrower receives a reasonable, tangible net benefit.	01/26/2011: Introduced. 01/28/2011: Passed First Reading; referred to Committee on Commerce and Consumer Protection. 02/02/2011: Reported from Committee as amended; report adopted as amended; re-referred to Committees on Commerce and Consumer Protection and Ways and Means. 02/07/2011: The committee(s) on CPN added the measure to the public hearing scheduled on 02-15-11 9:00AM in conference room 229. 02/15/2011: The committee on CPN deferred the measure until 02-17-11 9:00AM in conference room 229. 02/17/2011: The committee(s) on CPN recommend(s) that the measure be PASSED, WITH AMENDMENTS. (5 Ayes, 2 excused).

¹ This Chart was updated on February 17, 2011 by Weiner Brodsky Sidman Kider PC solely for use by NRMLA and may not be relied upon by others. This Chart summarizes 2010/2011 state legislative items through and up to February 17, 2011 directly affecting reverse mortgages, is for informational purposes only, and is not intended as formal legal advice. This Chart is based upon compilations available to us as reported in fee-based electronic databases. While we relied upon such databases in the preparation of this Chart, we cannot assure that such databases produce timely or accurate information. Further, we have not undertaken to engage nor did we confer with locally licensed counsel or governmental relations specialists in any of the jurisdictions discussed in this Chart, nor have we consulted with state legislative staff in all such jurisdictions. Such consultations, if undertaken, may reveal additional information not reflected in this Chart.

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ILLINOIS	HB 1337	Provides that no person may challenge the validity of or the priority of an otherwise lawfully executed and recorded mortgage solely on the basis that the rate of interest was not expressed in the mortgage. Retains existing provision that makes reverse mortgage loans subject to this section (which governs the contents and form for mortgages on land), except where requirements concerning the definiteness of the term and amount of indebtedness provisions of a mortgage would be inconsistent with law governing reverse mortgage loans.	02/09/2011: Introduced; first reading; referred to Rules Committee. 02/15/2011: Assigned to Judiciary I- Civil Law Committee; Committee Hearing Feb 23 2011 8:00AM Stratton Building Room C-1 Springfield, IL
	SB 1846	Amends the High Risk Home Loan Act. Provides that “high risk home loan” does not include a loan for reverse mortgage financing of residential real estate, including under programs regulated by the Federal Housing Administration (FHA).	02/09/2011: Introduced; first reading; referred to Assignments.

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STATE	BILL	SUMMARY	BILL HISTORY
ILLINOIS (CONT'D)	SB 1227	<p>The Bill is concerned primarily with manufactured housing in Illinois. Amends various provisions relating to reverse mortgages to provide that real property or real estate includes a manufactured home as defined in subdivision (53) of Section 9-102 of the Uniform Commercial Code which is real property as defined in Section 5-35 of the Conveyance and Encumbrance of Manufactured Homes as Real Property and Severance Act.</p>	02/08/2011: Introduced; first reading; referred to Assignments.
INDIANA	HB 1528	<p>Makes various changes to the laws concerning: (1) financial institutions; (2) debt management companies; (3) pawnbrokers; (4) money transmitters; (5) check cashers; (6) persons licensed under the Uniform Consumer Credit Code; and (7) first lien mortgage lenders.</p> <p>Amends Section 24-9-3-7 which contains prohibited practices for mortgages. Under current law, reverse mortgages are included within the scope of loans covered by the prohibitions. Other changes are being made to this section.</p>	<p>01/20/2011: Introduced; first reading; referred to Committee on Financial Institutions. 02/10/2011: Committee report: amend do pass, adopted 02/11/2011: Amended/Substituted.</p>

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STATE	BILL	SUMMARY	BILL HISTORY
MARYLAND	HB 247 (Crossfiled with SB 529)	Establishes that certain provisions of law relating to durable powers of attorney apply to all powers of attorney; alters the authority of an agent under certain statutory form powers of attorney; defines certain terms; provides for the application of certain provisions of the Act; and generally relates to powers of attorney. Refers to reverse mortgages in the context of existing section 17-202, which contains the Maryland Statutory Form for Personal Financial Power of Attorney and existing section 17-203, which contains the Maryland Statutory Form for Limited Power of Attorney.	01/31/2011: Introduced; first reading. 02/01/2011: Hearing 2/16 at 1:00 p.m.
	SB 529 (crossfiled with HB 247)	Establishes that certain provisions of law relating to durable powers of attorney apply to all powers of attorney; alters the authority of an agent under certain statutory form powers of attorney; defines certain terms; provides for the application of certain provisions of the Act; and generally relates to powers of attorney. Refers to reverse mortgages in the context of existing section 17-202, which contains the Maryland Statutory Form for Personal Financial Power of Attorney and existing section 17-203, which contains the Maryland Statutory Form for Limited Power of Attorney.	02/04/2011: Introduced; first reading. 02/09/2011: Hearing 3/2 at 1:00 p.m.

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STATE	BILL	SUMMARY	BILL HISTORY
MASSACHUSETTS	Rule Making on Chapter 258	<p>The Massachusetts Division of Banks will issue regulations implementing the reverse mortgage provisions of Chapter 258: An Act Relative to Mortgage Foreclosures (Chapter 258), which was signed into law August 8, 2010. The Division is currently seeking comments, which must be submitted by 5 p.m. on Friday, Feb. 11, 2011.</p> <p>Chapter 258 includes the extended 150-day right-to-cure after default on mortgage loans and additional consumer protections for reverse mortgages. Chapter 258 addresses the governance of reverse mortgages for borrowers over 60 years of age. Chapter 258 and other federal Massachusetts reverse mortgage statutes and regulations address the eligibility, procedures, disclosures and counseling requirements for a reverse mortgage program.</p> <p>The reverse mortgage regulations will focus on opt-in and counseling certification requirements.</p>	01/13/2011: Division seeks comments and establishes a hearing schedule and comment deadline, prior to proposing rules implementing Chapter 258.

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STATE	BILL	SUMMARY	BILL HISTORY
MINNESOTA	SF 137 (Companion HF 395)	SF 137 applies the 12 month redemption period to reverse mortgages, meaning 12 months after a foreclosure is completed the borrower or other interested party could redeem the property. Several states have redemption periods after foreclosure, and now Minnesota law would be revised by this bill to specifically include reverse mortgages in that state's redemption period..	01/27/2011: Introduced and read first time; referred to judiciary and public safety. 01/31/2011: Author added.
	HF 395 (Companion SF 137)	HF 395 applies the 12 month redemption period to reverse mortgages, meaning 12 months after a foreclosure is completed the borrower or other interested party could redeem the property. Several states have redemption periods after foreclosure, and now Minnesota law would be revised by this bill to specifically include reverse mortgages in that state's redemption period..	02/07/2011: Introduced; first reading; referred to commerce and regulatory reform.
MISSOURI	HB 323	<p>The bill would require an authorized lender who makes or brokers a reverse mortgage loan to allow for a repayment period of not less than 15 years for any payment due on a reverse mortgage loan after the death of the person who entered the loan at the average interest rate on mortgage loans in effect as of the date of death if such payment is to be due by the heirs of such person.</p> <p>The bill also mandates additional disclosures to the heirs of the decedent homeowner.</p>	01/26/2011: Introduced and read first time. 01/27/2011: Read second time. 02/10/2011: Referred to Financial Institutions.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW JERSEY	A787	A787 establishes the New Jersey Senior Citizen Taxpayer Reverse Mortgage Program. The bill would establish a program for the granting of reverse mortgages for the purpose of payment of property taxes by senior citizens through the equity in their homes.	01/12/10: Introduced; Referred to Assembly Housing and Local Government Committee. Session ongoing. [Carryover to 2011 expected.]
NEW YORK	A39 (same as S319)	A39 establishes a New York state senior housing opportunities partnership authority. In defining a “Senior Housing Opportunities Facility” that is owner-occupied, the bill states that owner-occupied means and includes any provision or instrument that allows a senior to own or eventually own their living unit such that it becomes and owner-occupied living unit, including through such means as a reverse mortgage.	12/16/10: Prefiled. 01/05/11: Referred to Assembly Committee on Aging.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S319 (same as A39)	<p>S319 establishes a New York state senior housing opportunities partnership authority.</p> <p>In defining a “Senior Housing Opportunities Facility” that is owner-occupied, the bill states that owner-occupied means and includes any provision or instrument that allows a senior to own or eventually own their living unit such that it becomes and owner-occupied living unit, including through such means as a reverse mortgage.</p>	<p>12/14/10: Prefiled. 01/05/11: Referred to Senate Committee on Aging.</p>

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S639 (same as A3876)	S639 establishes a reverse mortgage loan program within the state of New York mortgage agency to enable low income elderly homeowners to stay at home and pay for their long-term care. Under the bill, "reverse mortgage loan" is defined as "a loan for a term of years to be determined by the agency, in which the loan proceeds are advanced to a borrower in equal, monthly installments and may include an initial, one-time lump sum payment of up to five thousand dollars." "Low income" is defined as income that does not exceed the income limits established by the agency. Among other terms and conditions, loans shall not be issued for more than eighty percent of the value of the borrower's home, with minimum and maximum loan amounts to be determined by the agency on a case by case basis. In order to be eligible for the program, the applicant must be an individual age sixty-five or older, be the owner and occupant of a single family dwelling or condominium, who has lost some or all of the capacity to function on his or her own due to a chronic illness or condition, and who, based upon an assessment performed by an area agency on aging, requires or is expected to require one or more of specified services for an extended period of time of six consecutive months or more.	12/28/10: Prefiled. 01/05/11: Referred to Senate Committee on Corporations, Authorities and Commissions.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S1078	An Act amending the real property law to specify, with respect to reverse mortgage loans for persons sixty years of age or older, that an authorized lender, at its option, may receive no more than twenty percent of the future appreciation of the property securing the reverse mortgage loan as full or partial consideration for making the reverse mortgage loan. Such future appreciation shall be limited by such rules and regulations as the banking board may adopt or the authorized lender may charge a fixed rate of interest on the outstanding balance of monies advanced under the reverse mortgage agreement or any combination thereof. Any such appreciation shall not be considered interest for the purposes of any law regulating the maximum rate of interest which may be charged, taken or received.	01/05/2011: Introduced; referred to Senate Committee on Finance.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A1597	AN ACT enacting the "foreclosure diversion act of 2011"; to amend the real property actions and proceedings law, in relation to giving notice to mortgagors of the availability of foreclosure prevention counseling; to amend the banking law and the civil practice law and rules, in relation to settlement conferences; to amend the real property actions and proceedings law, in relation to availability of a settlement conference in pending foreclosure actions; to amend the real property actions and proceedings law, in relation to providing a one-year postponement on foreclosures; to amend the judiciary law, in relation to the assignment of foreclosure actions; to repeal certain provisions of the civil practice law and rules relating thereto; and providing for the repeal of such provisions upon expiration. "Home loan" is defined to exclude reverse mortgage transactions.	01/11/2011: Introduced; referred to Assembly Committee on Banks.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S1743	<p>An Act to amend the real property law, in relation to reverse mortgage loans.</p> <p>The bill provides for reverse mortgage loans on cooperative apartments under sections 280 and 280-a of the real property law; changes section 280 of the real property law to address reverse mortgage loans for persons sixty-two years of age or older, instead of sixty years old; removes the definitions “term reverse mortgage loan” and “tenure reverse mortgage loan” from section 280 of the real property law and instead defines “reverse mortgage maturity” as “a reverse mortgage matures solely upon contingent events, such as events including but not limited to death of the surviving borrower or the real property securing the loan no longer being the borrowers’ principal residence”; removes the requirement that a lender provide a schedule of payments to a borrower in connection with loan other than a tenure reverse mortgage loan; removes provisions permitting the refinancing or extension of a term reverse mortgage loan at the end of its term.</p>	01/12/2011: Introduced; referred to Senate Committee on Aging.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S2185 (Same as A4621)	<p>Establishes the New York state compact for long term care; requires federal financial participation; requires that the state provide assurance of quality of services in designing the waiver; outlines participation in such compact and pledge amounts; authorizes the waiver of all or part of the participation fee and the requirement that a beneficiary pay the difference between the compact rate and the compact subsidy if the beneficiary's countable income, after deductions of these items is less than certain protected income amounts; describes fraudulent practices.</p> <p>With respect to the treatment of assets, which are taken into account in determining the pledge amount required of a participant, the bill states that the value of any debts, including reverse mortgages, shall be deducted when calculating the total value of countable assets. In addition, the amount received from a reverse mortgage shall not be considered as income or assets, if expended within thirty days of the time in which received. An amount from a reverse mortgage that is held for longer than such thirty day period shall be considered as countable income, unless used for the purchase of long term care services as defined by the compact.</p>	<p>01/18/2011: Introduced; referred to Senate Committee on Aging. 01/26/2011: Committee Report.</p>

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A2277	<p>Exempts veteran disability payments from inclusion as income of persons sixty-five years of age or over to determine eligibility for a real property tax exemption.</p> <p>The bill maintains the existing provision that states that income shall not include the proceeds of a reverse mortgage, as authorized by section six-h of the banking law, and sections two hundred eighty and two hundred eighty-a of the real property law; provided, however, that monies used to repay a reverse mortgage may not be deducted from income, and provided additionally that any interest or dividends realized from the investment of reverse mortgage proceeds shall be considered income.</p>	01/14/2011: Introduced; referred to Assembly Committee on Veterans' Affairs.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	S2290	S2290 directs the superintendent of banks to consider a banking institution's origination history for certain reverse mortgage loans to a mortgagor or mortgagors whose income does not exceed 80% of the median income of the county of residence when assessing its performance records in meeting credit needs of local communities. As currently defined, banking institution means all banks, trust companies, savings banks, savings and loan associations, credit unions and foreign banking corporations incorporated, chartered, organized or licensed under the laws of this state.	01/18/2011: Introduced; referred to Senate Committee on Banks. 01/26/2011: Committee Report.
	S 2812/ A 4012.	Described as a Budget Bill. Refers to reverse mortgages only once within the context of an existing section, § 14, entitled Powers of the banking board. This section would be re-titled "Additional powers of the superintendent," but the bill does not alter subsection (s) which currently states that orders, rules or regulations may be adopted: "To permit authorized lenders, as defined by section two hundred eighty or two hundred eighty-a of the real property law, to offer <i>reverse mortgage loans</i> which shall conform to the provisions of section two hundred eighty or two hundred eighty-a of the real property law."	<u>S 2812</u> 02/01/2011: Introduced; referred to Senate Committee on Finance. <u>A 4012</u> 02/01/2011: Introduced; referred to Assembly Committee on Ways and Means.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A 3876 (same as S639)	<p>Establishes a reverse loan mortgage loan program for low income seniors; provides for the state of NY mortgage agency to establish many of the parameters for the implementation of the program; defines terms; requires a care needs assessment of each applicant; further provides that area agencies on aging shall provide counseling and assistance to applicants; directs the state of New York mortgage agency to issue an annual report to the governor and the legislature. The goal of the program would be to enable low income senior homeowners to use the equity in their homes to pay for their long term care needs. In order to qualify for the program, an applicant would have to be sixty-five years of age or older, meet the income eligibility guidelines set by SONYMA, be the owner and occupant of a single family dwelling or condominium and have lost some or all of the capacity to function on his or her own due to chronic illness. An applicant would have to undergo a care needs assessment and counseling on reverse mortgages in order to obtain a loan from the program. Loans issued by the program would offer a low, fixed interest rate to be established by SONYMA. In addition, any origination fees, closing costs or fees charged by the program would be at a reduced rate to be determined by the Agency.</p>	<p>01/28/2011: Introduced; referred to Assembly Housing. 02/02/2011: Committee Report.</p>

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A 4044	An Act to amend the civil service law, in relation to long term care counseling. Pursuant to AB 4044, long term care counseling shall consist of but shall not be limited to: information, education and advice dealing with long term care issues and planning for long term care, including information about long term care insurance benefits, the partnership plan, <i>reverse mortgages</i> , the risks to one's finances absent long term care planning, tax benefits of purchasing a long term care insurance policy, and programs and services in the community related to long term care, including who to call for assistance.	02/01/2011: Introduced; referred to Assembly Governmental Employees.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A 4179	<p>A 4179 exempts social security payments in determining eligibility for tax exemptions for persons 65 years of age or older.</p> <p>The bill maintains the existing provision which states that income shall not include the proceeds of a reverse mortgage, as authorized by section six-h of the banking law, and sections two hundred eighty and two hundred eighty-a of the real property law; provided, however, that monies used to repay a reverse mortgage may not be deducted from income, and provided additionally that any interest or dividends realized from the investment of reverse mortgage proceeds shall be considered income.</p>	02/02/2011: Introduced; referred to Assembly Aging.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	A 4621 (Same as S2185)	<p>Establishes the New York state compact for long term care; requires federal financial participation; requires that the state provide assurance of quality of services in designing the waiver; outlines participation in such compact and pledge amounts; authorizes the waiver of all or part of the participation fee and the requirement that a beneficiary pay the difference between the compact rate and the compact subsidy if the beneficiary's countable income, after deductions of these items is less than certain protected income amounts; describes fraudulent practices.</p> <p>With respect to the treatment of assets, which are taken into account in determining the pledge amount required of a participant, the bill states that the value of any debts, including reverse mortgages, shall be deducted when calculating the total value of countable assets. In addition, the amount received from a reverse mortgage shall not be considered as income or assets, if expended within thirty days of the time in which received. An amount from a reverse mortgage that is held for longer than such thirty day period shall be considered as countable income, unless used for the purchase of long term care services as defined by the compact.</p>	02/04/2011: Introduced; referred to Assembly Aging.

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STATE	BILL	SUMMARY	BILL HISTORY
NEW YORK (CONT'D)	AB 5071	Provides for a simplified definition of income in relation to senior citizens for real property taxation purposes. Deletes provision that currently specifies that income shall not include the proceeds of a reverse mortgage made under the banking and real property law.	02/11/2011: Introduced; referred to Aging.
	AB 5105	Enacts the "New York sub-prime predatory lending prevention act"; establishes guidelines for sub-prime loans; establishes duties of mortgage bankers and mortgage brokers; relates to the qualifications for licensing and certification of real estate appraisers. For purposes of the act, "home loan" means a home loan, including an open-end credit plan, other than a reverse mortgage transaction.	02/11/2011: Introduced; referred to Banks.
TEXAS	SB 446	An Act relating to encumbrances that may be fixed on homestead property. Refers to reverse mortgages in the context of an existing section 41.001(b)(7) of the Property Code.	01/31/2011: Introduced. 02/02/2011: Read first time; referred to Senate Intergovernmental Relations.
	H.J.R. 90	Proposes a constitutional amendment providing for an exception from the limitation on the maximum principal amount of home equity loans and home equity lines of credit for the refinancing of certain loans secured by the homestead. The exception from homestead protection for reverse mortgages has been retained in the current form of the resolution.	02/10/2011: Introduced.

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STATE	BILL	SUMMARY	BILL HISTORY
WEST VIRGINIA	SB 47	<p>An act amending and reenacting certain provisions relating to mortgage license provisional approval; disclosure of fees in a mortgage loan; and administrative hearing, appeal and scheduling procedures.</p> <p>In relevant part, the bill maintains the provision which states that the prohibition against “mak[ing] or assist[ing] in making any primary or subordinate mortgage loan with the intent that the loan will not be repaid and that the lender will obtain title to the property through foreclosure” does not apply to reverse mortgages obtained under the provisions of article twenty-four, chapter forty-seven, West Virginia Code. In addition, the bill amends the prohibition against “requir[ing] terms of repayment which do not result in continuous monthly reduction of the original principal amount of the loan” to expressly state that such prohibition does not apply to reverse mortgage loans obtained under article twenty-four, chapter forty-seven, West Virginia Code.</p>	01/12/2011: Introduced; to Senate Banking and Insurance.