

2019 STATE LEGISLATIVE TRACKING CHART – REVERSE MORTGAGES
NRMLA¹

STATE	BILL	SUMMARY	BILL HISTORY
NEW JERSEY	S.B. 1811	This bill would establish pre-loan counseling requirements and borrower right of rescission for reverse mortgage loans. Under this bill, prior to accepting a final and complete application for a reverse mortgage loan or assessing any fees, the lender must provide the borrower with a written checklist advising the borrower to discuss certain issues with a reverse mortgage counselor. The lender would also be required to provide the borrower the names and contact information for at least five (5) counseling agencies domiciled in New Jersey that are approved by HUD. Also, the lender would have to receive a certification from the borrower attesting that the borrower has received in-person counseling. Under this bill, a reverse mortgage executed with a borrower who has not received pre-loan counseling is void and unenforceable. The bill would also give a borrower a seven (7) day right of rescission after the borrower's acceptance, in writing, of the lender's written commitment to make the reverse mortgage loan. Under this bill, "reverse mortgage" means a reverse annuity mortgage or a	February 8, 2018: Introduced in the Senate, Referred to Senate Commerce Committee.

¹ This Chart was updated on January 30, 2019, by Weiner Brodsky Kider PC solely for use by NRMLA and may not be relied upon by others. This Chart summarizes active 2018-2019 state legislative items through and up to January 30, 2019 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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		<p>reverse direct payment mortgage. “Reverse annuity mortgage” means a mortgage loan secured by unencumbered residential property of the mortgagor which loan is used by the mortgagee to purchase annuities for the benefit of the mortgagor. “Reverse direct payment mortgage” means a mortgage loan secured by unencumbered residential property of the mortgagor, which loan is paid directly to the mortgagor in fixed amounts over the term of the mortgage not to exceed 10 years, or such other term as may be established by the Commissioner of Banking.</p> <p>[Appears to be similar to NJ A.B. 4753, filed but not passed in 2017.]</p>	
NEW YORK	S.B. 2373	<p>This bill requires the New York Department of Financial Services to develop a HECM Information Summary Sheet disclosure that lenders must provide HECM borrower no less than 5 days prior to closing. This disclosure informs borrowers of their rights and responsibilities under a reverse mortgage and includes, among other things: (1) a schedule of payments; (2) a statement advising borrowers to consult with licensed professionals regarding the tax and estate planning consequences of obtaining a reverse mortgage; (3) an explanation and itemization of the potential costs of a reverse mortgage; (4) a summary of actions or</p>	January 24, 2019: Referred to Aging.

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		<p>conditions that will constitute a default under a reverse mortgage; (5) a summary and explanation of alternatives to obtaining a reverse mortgage on the basis of economic hardship; (6) information on a borrower’s rights in the foreclosure process; and (7) information about New York-based organizations that provide HECM counseling. Additionally, failure to provide the HECM Information Summary Sheet would result in the related reverse mortgage loan becoming null and void</p>	
NEW YORK	A.B. 2632	<p>This bill would amend New York banking law by adding a new section 6-n to authorize reverse cooperative apartment unit loans for persons seventy years of age or older. The bill allows for both a term reverse cooperative apartment unit loan which means any reverse cooperative apartment unit loan that has a fixed term for payment to the borrower, and a tenure cooperative apartment unit loan which means any cooperative apartment unit loan that does not have a fixed term for payment to the borrower. A reverse cooperative apartment unit loan must, among other things, grant the borrower lifetime possession of the apartment as long as the apartment is the borrower’s principal residence, and the term of the reverse cooperative apartment unit loan, except for a tenure reverse cooperative apartment unit loan, must be ten years or</p>	January 24, 2019: Referred to Banks.

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		less. This bill creates numerous disclosure, servicing, and qualification requirements for reverse cooperative apartment unit loans. [Appears similar to NY A.B. 10755, filed but not passed in 2018].	
OREGON	H.B. 2587	This bill establishes that a homestead that is pledged as security for a reverse mortgage is not eligible for tax deferral under Oregon’s Deferred Collection of Homestead Property Taxes provisions. However, the exception does not apply to homesteads that were (1) reactivated for deferral under the Deferred Collection of Homestead Property Taxes provisions pursuant to Section 1, Chapter 494, Oregon Laws 2013; or (2) pledged as a security for a reverse mortgage pursuant to a contract executed on or after July 1, 2011, and before January 1, 2017.	January 14, 2019: First reading, Referred to Speaker’s desk. January 15, 2019: Referred to Human Services and Housing.
SOUTH CAROLINA	S.B. 197	This bill changes the name of the South Carolina Department on Aging (“SCDA”) to the South Carolina Department of Aging and Vulnerable Adult Services (“SCDAVAS”). Pursuant to this bill, SCDAVAS will take over the current responsibilities of SCDA, such as, providing independent consumer information on reverse mortgages and, with the cooperation of the Long Term Care Council and the Department of Insurance, implementing a program to educate citizens regarding, among other things, the	December 12, 2018: Pre-filed, Referred to Committee on General. January 8, 2019: Introduced and read first time, Referred to Committee on Family and Veterans’ Services.

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		availability of reverse mortgages and other home equity conversion alternatives.	

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