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**REVERSE MORTGAGE AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Walt Brooks**

Senate Sponsor: Don L. Ipson

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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.

**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

REPEALS:

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

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

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

30 **57-28-202. Borrower requirements.**

31 A borrower shall~~[(1) be 62 years of age or older, and (2)]~~ occupy the dwelling that  
32 secures the reverse mortgage as a principal residence.

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

34 **57-28-204. Independent counseling.**

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

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

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

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

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

45 (iii) the financial implications, specific to the prospective borrower, of entering into a  
46 reverse mortgage; and

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

49 (i) have tax consequences;

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

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

53 **Section 3. Repealer.**

54 This bill repeals:

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