

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:

- ▶ amends the age requirement for a reverse mortgage borrower;
- ▶ changes the requirement for a 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
- ▶ 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

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

57-28-304, as last amended by Laws of Utah 2016, Chapter 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) (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 **57-28-207** is amended to read:

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.

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