

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

January 31, 2024
Date

Committee on Business Affairs & Labor.

After consideration on the merits, the Committee recommends the following:

HB24-1011 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 3, line 3, after "MEANS A" insert "WRITTEN".
- 2 Page 3, strike lines 17 through 19 and substitute "DESTROYED, A
3 BORROWER, AFTER CONSULTING WITH THE BORROWER'S CONTRACTOR,
4 SHALL CREATE A REPAIR PLAN OR REBUILD PLAN FOR THE RESIDENTIAL
5 PROPERTY. THE BORROWER SHALL SUBMIT THE REPAIR PLAN OR REBUILD
6 PLAN TO THE MORTGAGE SERVICER FOR APPROVAL. THE MORTGAGE
7 SERVICER SHALL INDICATE APPROVAL OR DENIAL OF THE PLAN WITHIN
8 THIRTY DAYS OF RECEIPT. THE REPAIR PLAN OR REBUILD PLAN MUST
9 INCLUDE SPECIFIC".
- 10 Page 4, strike lines 1 through 6 and substitute:
11 "(c) (I) IF A BORROWER IS NOT DELINQUENT IN MAKING PAYMENTS
12 ON THE MORTGAGE OR THE BORROWER IS LESS THAN THIRTY-ONE DAYS
13 DELINQUENT IN MAKING PAYMENTS ON THE MORTGAGE, A MORTGAGE
14 SERVICER SHALL DISBURSE THE INSURANCE PROCEEDS TO THE BORROWER
15 AS FOLLOWS:".
- 16 Page 4, strike lines 15 through 19 and substitute "SHALL DISBURSE THE
17 REMAINING PROCEEDS BASED ON PERIODIC INSPECTIONS AND PROGRESS ON
18 THE WORK IN ACCORDANCE WITH THE MILESTONES IN THE REPAIR PLAN OR
19 REBUILD PLAN DESCRIBED IN SUBSECTION (2)(b) OF THIS SECTION AND,
20 WHERE REQUIRED BY FEDERAL LAW OR REGULATION, AFTER APPROVAL BY
21 THE FEDERAL HOME LOAN BANKS OR APPLICABLE FEDERAL AGENCY.".
- 22 Page 4, strike lines 24 through 27.

1 Page 5, strike line 1 and substitute:

2 "(d) IF A BORROWER IS MORE THAN THIRTY-ONE DAYS DELINQUENT
3 IN MAKING PAYMENTS ON THE MORTGAGE, A MORTGAGE SERVICER SHALL
4 DISBURSE THE INSURANCE PROCEEDS TO THE BORROWER AS FOLLOWS:".

5 Page 5, after line 21 insert:

6 "(e) FOR THE PURPOSES OF DISBURSEMENT OF INSURANCE
7 PROCEEDS AS DESCRIBED IN SUBSECTIONS (2)(c) AND (2)(d) OF THIS
8 SECTION:

9 (I) A MORTGAGE SERVICER SHALL MAKE THE FIRST DISBURSEMENT
10 OF INSURANCE PROCEEDS TO THE BORROWER:

11 (A) WITHIN FOURTEEN DAYS AFTER THE MORTGAGE SERVICER
12 RECEIVES THE INSURANCE PROCEEDS IF THE MORTGAGE IS INSURED BY THE
13 FEDERAL GOVERNMENT OR SECURITIZED BY THE FEDERAL NATIONAL
14 MORTGAGE ASSOCIATION OR THE FEDERAL HOME LOAN MORTGAGE
15 CORPORATION; AND

16 (B) AS SOON AS REASONABLY POSSIBLE AND NO LATER THAN
17 THIRTY DAYS AFTER THE MORTGAGE SERVICER RECEIVES THE INSURANCE
18 PROCEEDS IF THE MORTGAGE IS NOT INSURED BY THE FEDERAL
19 GOVERNMENT OR SECURITIZED BY THE FEDERAL NATIONAL MORTGAGE
20 ASSOCIATION OR THE FEDERAL HOME LOAN MORTGAGE CORPORATION;
21 AND

22 (II) A MORTGAGE SERVICER MAY DISBURSE FUNDS DIRECTLY TO A
23 DESIGNEE OF A BORROWER SO LONG AS:

24 (A) THE DESIGNEE IS AGREED TO BY BOTH THE BORROWER AND
25 THE MORTGAGE SERVICER; AND

26 (B) THE DESIGNATION IS PERMITTED BY FEDERAL AND STATE LAW
27 AND ANY ASSOCIATED RULES."

28 Reletter succeeding paragraphs accordingly.

29 Page 6, line 12, strike "BORROWER" and substitute "BORROWER, IN
30 WRITING,".

31 Page 6, after line 16 insert:

32 "(5) NOTHING IN THIS SECTION:

33 (a) PROHIBITS A MORTGAGE SERVICER FROM RELEASING
34 INSURANCE PROCEEDS IN AMOUNTS GREATER THAN REQUIRED BY THIS
35 SECTION;

36 (b) PROHIBITS OR LIMITS A MORTGAGE SERVICER FROM

1 DISTRIBUTING ADDITIONAL MONEY THAT IS MADE AVAILABLE DURING A
2 DECLARED STATE OF EMERGENCY OR NATURAL DISASTER; OR
3 (c) PROHIBITS A MORTGAGE SERVICER FROM COMPLYING WITH
4 FEDERAL RULES AND REGULATIONS."

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