

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0117.01 Kate Meyer x4348

HOUSE BILL 17-1026

HOUSE SPONSORSHIP

Singer,

SENATE SPONSORSHIP

Jones,

House Committees
Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE SUSPENSION OF A BORROWER'S OBLIGATION TO
102 REPAY A REVERSE MORTGAGE WHEN A FORCE MAJEURE
103 RENDERS THE SUBJECT PROPERTY UNINHABITABLE AS A
104 PRINCIPAL RESIDENCE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Wildfire Matters Review Committee. Under current law, the borrower in a reverse mortgage transaction is relieved of the obligation to occupy the subject property as a principal residence if the borrower is

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

temporarily absent for up to 60 days or, if the property is adequately secured, up to one year. The bill adds a third exception to the principal-residence requirement to cover situations in which a natural disaster or other serious incident beyond the borrower's control renders the property uninhabitable. The maximum time allowable for a temporary absence under these circumstances is 5 years.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 11-38-107, **add**
3 (2)(b.5) as follows:

4 **11-38-107. Repayment.** (2) The repayment requirement
5 described in subsection (1) of this section is also expressly subject to the
6 following additional conditions:

7 (b.5) A TEMPORARY ABSENCE FROM THE HOME EXCEEDING SIXTY
8 CONSECUTIVE DAYS BUT NOT EXCEEDING FIVE YEARS, WHICH ABSENCE
9 RESULTS FROM A NATURAL DISASTER OR OTHER FORCE MAJEURE
10 RENDERING THE HOME TEMPORARILY UNINHABITABLE, DOES NOT CAUSE
11 THE REVERSE MORTGAGE TO BECOME DUE AND PAYABLE.

12 **SECTION 2. Applicability.** This act applies to reverse mortgages
13 for a home rendered uninhabitable by a natural disaster or other force
14 majeure that occurs on or after the effective date of this act.

15 **SECTION 3. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.