



**Colorado
Legislative
Council
Staff**

HB17-1026

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0117
Prime Sponsor(s): Rep. Singer
Sen. Jones

Date: January 12, 2017
Bill Status: House Local Government
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: REVERSE MORTGAGE REPAYMENT WHEN HOME UNINHABITABLE

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019
State Revenue			
State Expenditures	Minimal workload decrease.		
Appropriation Required: None.			
Future Year Impacts: Ongoing minimal workload decrease.			

Summary of Legislation

A reverse mortgage provides a cash advance to the borrower based on the equity in the borrower's primary residence. Under current law, the borrower must repay the advance if he or she does not occupy the home as their primary residence, with exceptions for temporary absences of up to 60 days or, if the property is adequately secured, up to one year.

This bill, **recommended by the Wildfire Matters Review Committee**, adds third exception to the primary residence requirement for borrowers who are unable to live in their home for at least 60 days and fewer than five years due to a natural disaster or an incident beyond the borrower's control that makes the home uninhabitable.

State Expenditures

The bill may decrease the workload in the Judicial Department beginning in FY 2016-17. Because fewer reverse mortgages may become due and payable as a result of the new exception created by the bill, there may be a decrease in civil actions filed to collect a reverse mortgage advance. Any decrease in workload is expected to be minimal.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to reverse mortgages for homes rendered uninhabitable by a natural disaster occurring on or after that date.

State and Local Government Contacts

Clerk and Records
Regulatory Agencies

Judicial
Sheriffs

Law
Treasury