



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 4, 2023)

Drafting Number: LLS 23-0923 Date: April 19, 2023
Prime Sponsors: Rep. Brown; Ricks Bill Status: Senate Local Government
Sen. Jaquez Lewis; Buckner Fiscal Analyst: Clayton Mayfield | 303-866-5851
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Bill Topic: REVERSE MORTGAGE REPAYMENT WHEN HOME UNINHABITABLE

Summary of Fiscal Impact: No fiscal impact. The bill adds an exception to reverse mortgage repayment requirements for a temporary absence following a natural disaster. It is assessed as having no fiscal impact on state and local governments.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the reengrossed bill.

Summary of Legislation

The bill adds an exception to reverse mortgage repayment requirements when a home is temporarily unoccupied due to a natural disaster or other force majeure. The borrower must be engaged in repairing the home with the intent of reoccupying or selling the home, stay in communication with their lender, comply with all other terms of the reverse mortgage, and ensure repairs do not reduce the lender's security. These provisions apply to the extent allowable by the federal Department of Housing and Urban Development policies.

Assessment of No Fiscal Impact

The bill primarily deals with contracts between private parties. It is assumed that businesses offering reverse mortgages will comply with the terms of the bill, and thus it is not expected to affect the workload of the Judicial Department, Department of Law, or the Department of Regulatory Agencies and will result in no change to state or local government revenue or expenditures. For this reason, the bill is assessed as having no fiscal impact.

Effective Date

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

State and Local Government Contacts

Law

Judicial

Regulatory Agencies