

CHAPTER 148

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**PROPERTY**

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**HOUSE BILL 98-1215**

BY REPRESENTATIVES Nichol, Mace, and Smith;  
also SENATORS B. Alexander and Bishop.

**AN ACT**

CONCERNING CIVIL PENALTIES FOR VIOLATIONS OF THE DISCLOSURE REQUIREMENTS FOR MAKING LOANS  
SECURED BY A MORTGAGE OR DEED OF TRUST.

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

**SECTION 1.** 38-40-104, Colorado Revised Statutes, is amended to read:

**38-40-104. Cause of action - attorney fees.** (1) If any applicant or debtor is aggrieved by a violation of section 38-40-102 or 38-40-103, which violation is not remedied in a reasonable, timely, and good faith manner by the party obligated to do so, and after a good faith effort to resolve the dispute is made by the debtor or borrower, such debtor or borrower may bring an action in a court of competent jurisdiction for any such violation, and, if the court finds that actual damages have occurred, the court shall award in addition to actual damages the amount of ~~five~~ ONE THOUSAND ~~hundred~~ dollars, together with and costs and reasonable attorney fees.

(2) No transferee from a lender shall be liable for any act or omission of the lender under section 38-40-102. No transferee of servicing or collection rights shall be liable for any act or omission of the transferor of those rights under section 38-40-103.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 21, 1998

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*