

**Senate Business, Labor, & Technology**

**03/26/2024 02:00 PM**

**HB24-1011 Mortgage Servicers Disburse Insurance Proceeds**

**Typed Text of Testimony Submitted**

<b>Name, Position, Representing</b>	<b>Typed Text of Testimony</b>
Susan Nedell For themselves	<p>Thank you Rep Brown for sponsoring this important bill.</p> <p>My husband and I lost our home and ALL our belongings in the Marshall Fire. It has been over 2 years and we are still building our new home AND we are still trying to get our mortgage lender to release funds for the rebuild. My husband has talked to 24 different people at the mortgage lender and we both have exchanged countless emails. With this effort, we have only received a meager release of funds, even though we are more than 70% through the rebuild. Disasters are not going away. We residents of Colorado need more certainty that if we follow specific procedures, mortgage lenders must release funds on a timely basis. The whole situation is extremely stressful and time consuming when you consider the difficulty getting funds released from the mortgage lenders is in addition to the loss of one's home, the extensive rebuilding process and the extreme difficulties in getting insurance payout. We Coloradans need your help! I hope every member of this committee votes "yes" on this important bill. Thank you!</p> <p>Susan Nedell Louisville, CO</p>



# **INSURANCE PROFESSOR.NET**

*Building Trust through Guidance ... Education ... Service*

Friday, March 22, 2024

To:: Senate Business, Labor, & Technology Committee

Re:: Committee Hearing on HB 24-1011 on 03/26/2024

Thank you Chairman and Committee Members for the opportunity to present to you, the position of the Colorado chapter of the National Association of Insurance and Financial Advisors, also known as NAIFA-CO.

Founded in 1890, the National Association of Insurance and Financial Advisors is the preeminent association for financial service professionals in the United States of America. NAIFA members, in every Congressional district and every state house, subscribe to a strong [Code of Ethics](#) and represent a full spectrum of practice specialties to promote financial security for all Americans. Complimented by its professional development and consumer divisions, the Society of Financial Service Professionals and Life Happens, the association delivers value through advocacy, service, and education.

Since some of NAIFA-CO members work in the mortgage industry, we took note when this bill was introduced and have followed its progress within the legislative hearing process.

We note that, as all legislation should, this proposed statute would provide limits that all parties within the circumstances set forth in the bill, will be able to understand and follow. Whereas the primary parties delineated in the bill are the Mortgage Servicer and the Borrower, any Contractors involved in restoration and rebuilding should be similarly advantaged by the clarity of the limits defined within the bill.

The limits we take note of include:: specific timeline for submission of the borrower's repair or rebuild plan; amounts that the mortgage servicer must disburse and under what circumstances; specific circumstances that relate to disbursements; the requirement that monies held by the servicer prior to disbursement earn interest; and some flexibility for circumstances that might arise in the time period of the rebuild, repair, or restoration.

NAIFA-CO supports the legislation as it has been presented to the committee and advocate for its approval and transmittal to the full Senate.

Submitted on behalf of NAIFA-CO by R Allan Jensen on behalf of the Government Relations Committee, NAIFA-CO.

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January 31, 2024

Colorado General Assembly  
Business Affairs & Labor Committee  
200 E. Colfax Avenue  
Denver, CO 80203

**RE: SUPPORT House Bill 24-1011 (Brown)**

Dear Chair Amabile,

United Policyholders writes to express our strong support for House Bill 24-1011, authored by Representative Kyle Brown.

HB 24-1011 will help Colorado residents better navigate the insurance claims process in coordination with their mortgage servicer by providing consistent, transparent guidance that will enable homeowners with mortgages to more quickly rebuild without incurring additional debt, stress, and added work as they struggle to receive funds for rebuilding in a timely manner, and receive the interest proceeds that they are owed without undue burden.

Insurers typically issue all dwelling payments in the names of both the homeowner and the mortgage servicer, even though the dwelling amount above the mortgage balance is owed to the homeowner. Homeowners have to expend tremendous effort to secure those funds from the mortgage service, funds which often are needed to jumpstart the construction, especially for those who are underinsured. This bill will eliminate this added stress by requiring prompt disbursement of the excess amount.

The requirement to work with the borrower to create a rebuild plan with mutually agreed to milestones for disbursement of insurance funds will level the playing field between mortgage servicers and borrowers and is key to returning families to their homes in a timely manner. Without this protection, borrowers often face borrowing additional funds or raiding their retirement accounts to cover the gap in payments that occurs when a mortgage servicer determines their own set milestones (25%, 50%, 75%) for completion that do not align with the builder's

milestones, delaying the rebuilding process until funds are cobbled together or agreement is reached with the mortgage servicer.

About United Policyholders: United Policyholders (UP) is a national non-profit 501(c)(3) organization founded in 1991 that is a voice and an information resource for insurance consumers in California and throughout the U.S. UP's work is divided into three program areas: Roadmap to Recovery<sup>®</sup> (disaster recovery and claim help), Roadmap to Preparedness (financial literacy and disaster resiliency), and Advocacy and Action (advancing pro-policyholder laws and public policy).  
www.uphelp.org

United Policyholders does not sell insurance or accept funding from insurance companies. UP serves Colorado residents and business owners, and coordinates on a regular basis with public officials and the Colorado Division of Insurance. We respectfully request your “AYE” vote on HB 24-1011, as currently drafted. Thank you for your thoughtful consideration of this important homeowner protection measure.

Sincerely,



Valerie Brown  
Deputy Executive Director

cc: Representative Kyle Brown