



General Assembly

February Session, 2026

Raised Bill No. 5317

LCO No. 2108



Referred to Committee on BANKING

Introduced by:

(BA)

AN ACT DEFINING "MORTGAGE LOAN" FOR PURPOSES OF CERTAIN NOTICE PROVISIONS RELATING TO FLOOD DAMAGE AND INSURANCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 49-7b of the 2026 supplement to the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2026*):

4 (a) For purposes of this section, "mortgage loan" means a loan that is
5 (1) secured by a first mortgage on one-to-four-family residential real
6 property located in this state, and (2) made for the purpose of financing
7 the purchase of such property.

8 [(a)] (b) Not later than ten days prior to the date of the closing in a
9 mortgage loan transaction, each creditor, as defined in section 49-6a,
10 shall notify the mortgage loan applicant, in writing, that: (1) Standard
11 homeowners insurance policies do not cover flood damage and related
12 losses; (2) flood damage to property may occur regardless of whether
13 the real property is located in a designated flood zone; and (3) the
14 applicant may wish to consult a licensed insurance producer or surplus

15 lines broker concerning the availability and benefits of obtaining flood
16 insurance.

17 [(b)] (c) The notice required by subsection [(a)] (b) of this section shall
18 be written in plain language and signed and dated by the mortgage loan
19 applicant to acknowledge receipt of such notice. Each creditor shall keep
20 and maintain a copy of such notice with the mortgage loan applicant's
21 mortgage records.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	49-7b

Statement of Purpose:

To define "mortgage loan" for purposes of certain notice provisions relating to flood damage and insurance.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]