



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

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<b>Drafting Number:</b>	LLS 23-0923	<b>Date:</b>	April 4, 2023
<b>Prime Sponsors:</b>	Rep. Brown; Ricks	<b>Bill Status:</b>	House Trans. & Local Govt.
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<b>Bill Topic:</b>	<b>REVERSE MORTGAGE REPAYMENT WHEN HOME UNINHABITABLE</b>
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<b>Summary of Fiscal Impact:</b>	<b>No fiscal impact.</b> 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.
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<b>Appropriation Summary:</b>	No appropriation is required.
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<b>Fiscal Note Status:</b>	The fiscal note reflects the introduced bill.
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## Summary of Legislation

The bill adds an exception to reverse mortgage repayment requirements when a home is unoccupied due to a natural disaster or other force majeure. The exception applies to temporary absences from using the home as a primary residence of at least 60 days but no more than 5 years. The borrower must be engaged in repairing the home with the intent of reoccupying or selling the home.

## 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
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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).