

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 23-0923.01 Josh Schultz x5486

**HOUSE BILL 23-1266**

**HOUSE SPONSORSHIP**

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**House Committees**

Transportation, Housing & Local Government

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Local Government & Housing

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**A BILL FOR AN ACT**

101      **CONCERNING THE SUSPENSION OF A REVERSE MORTGAGE FROM THE**  
102                    **REPAYMENT REQUIREMENT WHEN A FORCE MAJEURE RENDERS**  
103                    **THE SUBJECT PROPERTY UNINHABITABLE AS A PRINCIPAL**  
104                    **RESIDENCE.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Under current law, the borrower in a reverse mortgage transaction is relieved of the obligation to occupy the subject property as a principal residence if the borrower is temporarily absent for up to 60 days or, if the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

SENATE  
3rd Reading Unamended  
April 27, 2023

SENATE  
2nd Reading Unamended  
April 26, 2023

HOUSE  
3rd Reading Unamended  
April 17, 2023

HOUSE  
Amended 2nd Reading  
April 14, 2023

property is adequately secured, for up to one year. The bill adds a third exception to the principal-residence requirement to cover situations in which a natural disaster or other serious incident beyond the borrower's control renders the property uninhabitable and the borrower is engaged in repairing the home with the intent of reoccupying the home as a principal residence, offering the home for sale, or selling the home. The maximum time allowable for a temporary absence under these circumstances is 5 years.

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

2           **SECTION 1.** In Colorado Revised Statutes, 11-38-102, **amend**  
3 the introductory portion; and **add** (1.3) as follows:

4           **11-38-102. Definitions.** As used in this ~~article~~ ARTICLE 38, unless  
5 the context otherwise requires:

6           (1.3) "FORCE MAJEURE" MEANS FIRE, EXPLOSION, ACTION OF THE  
7 ELEMENTS, UNUSUALLY SEVERE WEATHER, ACT OF GOD, ACT OF WAR, OR  
8 ANY OTHER CAUSE THAT IS BEYOND THE CONTROL OF THE BORROWER AND  
9 THAT COULD NOT HAVE BEEN PREVENTED BY THE BORROWER WHILE  
10 EXERCISING REASONABLE DILIGENCE.

11           **SECTION 2.** In Colorado Revised Statutes, 11-38-107, **add**  
12 (2)(b.5) as follows:

13           **11-38-107. Repayment.** (2) The repayment requirement  
14 described in subsection (1) of this section is also expressly subject to the  
15 following additional conditions:

16           (b.5) (I) TO THE EXTENT ALLOWABLE BY THE UNITED STATES  
17 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S REGULATIONS AND  
18 POLICIES, A TEMPORARY ABSENCE FROM THE HOME, IF THE ABSENCE IS A  
19 RESULT OF A NATURAL DISASTER OR OTHER FORCE MAJEURE RENDERING  
20 THE HOME TEMPORARILY UNINHABITABLE, DOES NOT CAUSE THE REVERSE  
21 MORTGAGE TO BECOME DUE AND PAYABLE IF:

1 (A) THE BORROWER IS ENGAGED IN REPAIRING THE HOME WITH  
2 THE INTENT TO REOCCUPY THE HOME AS A PRINCIPAL RESIDENCE OR TO  
3 SELL THE HOME;

4 (B) THE BORROWER STAYS IN COMMUNICATION WITH AND  
5 REASONABLY RESPONDS TO INQUIRIES FROM THE LENDER WHILE THE HOME  
6 IS BEING REPAIRED;

7 (C) THE BORROWER COMPLIES WITH ALL OTHER TERMS AND  
8 CONDITIONS OF THE REVERSE MORTGAGE; AND

9 (D) THE REPAIRING OR REBUILDING OF THE HOME DOES NOT  
10 REDUCE THE LENDER'S SECURITY.

11 (II) AT THE TIME OF CLOSING, THE LENDER SHALL DISCLOSE THE  
12 REQUIREMENTS OF SUBSECTION (2)(b.5)(I) OF THIS SECTION TO THE  
13 BORROWER IN WRITING.

14 **SECTION 3. Applicability.** This act applies to reverse mortgages  
15 for a home rendered uninhabitable by a natural disaster or other force  
16 majeure that occurs on or after the effective date of this act.

17 **SECTION 4. Safety clause.** The general assembly hereby finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, and safety.