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March 9, 2017

To: Members of the Energy and Technology Committee

Fr: The Connecticut Title Association

RE: S.B. No. 973 – An Act Concerning a Residential Sustainable Energy Program

Position: Oppose

I am currently the President of the Connecticut Title Association (CTA), a non-stock corporation organized under the laws of the State of Connecticut whose primary purposes are to promote the common business interests of title insurance companies licensed in the State of Connecticut and to educate its members, attorneys, lenders and others about the nature, uses and benefits of title insurance in connection with real estate transactions in this state. I am writing to express the opposition of the CTA for S.B.973.

Preliminarily, it should be noted that the objective of this Bill is to expand the existing statutory framework under Conn. Gen. Stat. 7-121n to establish a residential sustainable energy program which is a positive undertaking. However, the proposed Bill creates a potential system for securing the funding for such improvements that runs contrary to the traditional and customary procedures for protection of real estate interests in this state and would have a negative impact on conveyancing in general and on the lending industry in particular. We also concur with the points made by the Connecticut Bankers Association in its testimony as to the chilling effect this Bill would have on the mortgage industry.

The current proposal creates a super priority lien by way of a “benefit assessment lien” attaching to the residential property that will adversely affect existing mortgages on such property at the time the energy loans are made. The language in the Bill is unclear as to the timing of such a lien (i.e. effective on date of assessment or filing in the land records) such that current reliance on the land records will become uncertain in determining the status of a title prior to a sale or

mortgage of same. The existing statutory procedure under Section 7-121n does not create such a priority issue. The Bill as proposed would wreak havoc on the current conveyancing system and land records reliance that have been in place for decades.

For the foregoing reasons, the CTA **OPPOSES S.B. 973.**

Sincerely,



Nancy L. Walkley
Asst. V. P./Associate Senior Underwriting Counsel