

Substitute Bill No. 911

January Session, 2019



AN ACT CONCERNING THE OPENING OF A JUDGMENT OF STRICT FORECLOSURE.

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

- 1 Section 1. Subsection (b) of section 49-15 of the general statutes is
- 2 repealed and the following is substituted in lieu thereof (Effective
- 3 October 1, 2019):

5

- 4 (b) (1) Upon the filing of a bankruptcy petition by a mortgagor
 - under Title 11 of the United States Code, that also imposes an
- 6 automatic stay pursuant to 11 USC 362(a), and only to the extent the
- 7 filing of the bankruptcy petition imposes the automatic stay pursuant
- 8 to 11 USC 362(a), any judgment against the mortgagor foreclosing the
- 9 title to real estate by strict foreclosure shall be opened automatically
- 10 without action by any party or the court, provided, (A) the provisions
- of such judgment, other than the establishment of law days, shall not
- 12 be set aside under this subsection, [provided] and (B) no such
- judgment shall be opened (i) after the title has become absolute in any
- 14 encumbrancer or the mortgagee, or any person claiming under such
- encumbrancer or mortgagee, or (ii) if the automatic stay pursuant to 11
- 16 USC 362(a) does not come into existence upon the filing of the
- 17 <u>bankruptcy petition</u>.
- 18 (2) Notwithstanding the provisions of this section, no judgment

- shall be opened, despite the filing of a bankruptcy petition, if (A) a prior order granting in rem relief from the automatic stay has been issued pursuant to 11 USC 362(d)(4) in favor of the plaintiff or the plaintiff's predecessor in interest regarding the subject property, (B) such order has been recorded on the appropriate land records, and (C) such in rem relief is still binding on the subject property at the time of the filing of the bankruptcy petition.
 - (3) The mortgagor shall file a copy of the bankruptcy petition, or an affidavit setting forth the date the bankruptcy petition was filed, with the clerk of the court in which the foreclosure matter is pending. [Upon]
- 30 (4) If an automatic stay under 11 USC 362 was applicable, upon the 31 termination of the automatic stay authorized pursuant to 11 USC 362, 32 the mortgagor shall file with such clerk an affidavit setting forth the 33 date the automatic stay was terminated. Any party, person or entity 34 taking title by virtue of a judgment of strict foreclosure may, at any 35 time, file with the court an affidavit or other document that evidences that the judgment was not opened pursuant to the provisions of this 36 37 subsection, notwithstanding the filing of a bankruptcy petition by a 38 mortgagor.

This act shall	This act shall take effect as follows and shall amend the following				
sections:					
Section 1	October 1, 2019		49-15(b)		

JUD Joint Favorable Subst.

26

27

28

29