

By Ms. Gibson of Belmont, petition of Mary Jane Gibson and other members of the General Court for legislation to insure that loan proceeds from reverse mortgage transactions are disregarded in determining eligibility of elders for the benefits of various public assistance programs. Human Services and Elderly Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Nine.

AN ACT INSURING THAT LOAN PROCEEDS FROM REVERSE MORTGAGE TRANSACTIONS ARE DISREGARDED IN DETERMINING ELIGIBILITY OF ELDERS FOR THE BENEFITS OF VARIOUS PUBLIC ASSISTANCE PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. All reverse mortgage loan proceeds for elder
2 homeowners of the commonwealth, herein specified as age sixty
3 and over, shall be disregarded and shall not be considered
4 available to the borrower for purposes of determining initial or
5 continuing eligibility for, or amount of, medical assistance or any
6 other public assistance program, or federal or state low interest
7 loan or grant. This law applies regardless of time elapsed since
8 the loan was made provided that proceeds have not become
9 countable resources.

1 SECTION 2. Clause Forty-first A of section 5 of chapter 59
2 of the General Laws, as appearing in the 1984 Official Edition,
3 is hereby amended by striking out the fourth paragraph and insert-
4 ing in place thereof the following paragraph:—

5 In the case of each tax deferral and recovery agreement entered
6 into between the board of assessors and the owner or owners of
7 such real property, the said board of assessors shall forthwith
8 cause to be recorded in the registry of deeds of the county or dis-

9 trict in which the city or town is situated a statement of their action
10 which shall constitute a lien upon the land covered by such agree-
11 ment for such taxes as have been assessed under the provisions
12 of this chapter, plus interest as hereinafter provided. A lien filed
13 pursuant to this section shall be subsequent to any liens secur-
14 ing a reverse mortgage, excepting shared appreciation instru-
15 ments. The statement shall name the owner or owners and shall
16 include a description of the land adequate for identification.
17 Unless such a statement is recorded the lien shall not be effec-
18 tive with respect to a bona fide purchaser or other transferee with-
19 out actual knowledge of such lien. The filing fee for such state-
20 ment shall be paid by the city or town and shall be added to and
21 become a part of the taxes due.