

Committee on Banking and Insurance

CS/SB 1050 — Fiduciaries

by Banking and Insurance Committee and Senator Bogdanoff

Current law allows mortgagors to request and receive, within 14 days, information about their loan, such as the payoff, from the mortgagee. This information is provided by a mortgagee and is known as an estoppel letter. The bill allows a record title owner of a property, a fiduciary or trustee lawfully acting on behalf of a record title owner, or any other person lawfully authorized to act on behalf of a mortgagor or record title owner of the property to obtain an estoppel letter. To receive the information, these authorized persons must provide a copy of the instrument proving title in the property ownership interest or lawful authorization. Once a request is made, the mortgagee must provide the total unpaid balance on a per-day basis, but may also include additional information in the estoppel letter.

The bill also makes a number of clarifying and substantive changes to the Florida Principal and Income Act (act). This bill represents the first broad revision of the act since it was enacted in 2002. The bill implements a smoothing rule where fiduciaries calculate the average fair market value of the current year assets and the preceding years' assets to address spikes due to fluctuations in the market. The bill modifies the default guidelines applicable to unitrusts, distribution of income, the partial liquidation rule, marital tax deductions, liquidating assets, income taxes, and property improvements.

If approved by the Governor, these provisions take effect January 1, 2013.

Vote: Senate 39-0; House 116-0